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MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, July 25, 1973 at 9:00 A.M. at the Fairmont Hotel in San Francisco, California. The following members were present:

Gordon P. Smith
Ray M. Dunn
Harry F. Magnuson
Richard S. Sloma
Philip A. Toft
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio.

The meeting was called to order at 9:00 A.M. by the Chairman, Mr. Gordon P. Smith. Mr. Magnuson moved that the Minutes of the Executive Committee meeting of June 27, 1973 be approved as submitted. This motion was seconded by Mr. Dunn and unanimously adopted.

President's Report - Gordon P. Smith

Mr. Smith reported that June was the first month that the runout forecast was not achieved. The major problem is in the RegO group which has experienced material input problems which are vendor and purchasing related. He went on to describe some of the steps which were being taken in this area. Margins at RegO were off in June. He commented that the June deficiencies would not be made up in July since vacation shut downs were planned, but would be made up by August 31. The 12 cent earnings in June included 8 cents from the sale of Hecla stock. For the 12 months to date, sales were up 21% and manufacturing earnings were 51 cents per share compared to 10 cents per share for the prior 12 month period. Mr. Smith advised the members that he had just been supplied a copy of the Duff, Anderson & Clark report by Mr. Toft. Mr. Stogin was requested to make copies for other members of the Executive Committee. Mr. Smith reported on the Financial Relations Board activities and their weekly reports. Mr. Toft requested that copies be sent to the other members of the Executive Committee. Mr. Smith commented on the Board's action at the last meeting regarding the calling of special meetings for major acquisitions. Internal expansion is still within the purview of the Executive Committee. The die casting project was cited as an example of internal expansion. Mr. Smith then called for questions on the die casting project. There being

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none, Mr. Dunn moved that the project be approved. This motion was seconded by Mr. Magnuson and unanimously adopted. At this point Mr. Dunn requested that a post audit of projects be made and a report thereof be made to the Executive Committee. Mr. Sloma stated that part of the procedure includes a post audit of projects and that Mr. Cranford, Corporate Controller, bears this responsibility. Mr. Adams added that the policy is to prepare a post audit on projects over \$100,000 six months after the project becomes operational.

Corporate Financial Matters - D. W. Adams

Mr. Adams commented further on the shortfall in the RegO Division. He discussed the accounting treatment of inter-company transactions as reflected in the reports. He reported that 30,300 Hecla shares had been sold in June, and that as of July 1 a total of 34,600 shares had been sold. Accounts receivable decreased \$515,000 of which \$200,000 was in the over 90 days category. June was the third largest collection month and the days of receivables outstanding now amount to 58. All Divisions showed an improvement except Anderson Copper and Brass, but their receivables continue at a very low level. July results will be distorted due to the vacation shut down. August is expected to be a heavy collection month. Each division experienced an increase in inventory levels for a total rise of \$800,000 for the month. Cash flow was \$475,000 ahead of runout, of which \$473,000 was attributable to Hecla. The borrowing situation was okay through August. Return on assets continues ahead of plan, but below the runout. The runout figure should be back on target by the end of August. The inventory situation was discussed, with Mr. Adams commenting on the elimination of the Warehouse 7 physical inventory for RegO. The request at the last Board meeting for the breakdown of inventory was reviewed and Mr. Adams stated that effective with 1974 a breakdown would be available for RegO. Mr. Sloma offered his comments on this matter. Mr. Toft inquired as to the method of calculating turnover ratios, to which Mr. Adams responded. Mr. Toft requested that he be supplied the detail for the calculations. Mr. Smith reported at this point on a meeting he had at The First National Bank regarding the line of credit pointing out that the current line of credit will continue at prime to March of 1974. Mr. Adams distributed the mid-month forecast, commenting that this projected a loss for the month of July with a recovery in August. Mr. Smith commented on the treatment of Hecla gains as extraordinary income, with further comment by Mr. Adams, and a general discussion by the members. It was agreed by the members that the sale of Hecla is in the nature of an extraordinary occurrence. Mr. Smith commented that results should exceed runout by the end of September. Mr. Sloma requested of Mr. Adams that a chart showing operating earnings be included in the statements. In response to Mr. Smith's call for further questions, Mr. Toft indicated his continued concern about inventory and accounts receivable levels.

Report on Operations - R. S. Sloma

Mr. Sloma distributed the mid-month forecasts for each of the operating groups, which were discussed in turn. The major part of the discussion centered on the RegO operation. Mr. Sloma commented that volume was below runout due to vendors failure to deliver materials and unfavorable variations for labor and material which adversely affected the margins. Mr. Dunn asked about the Golconda Metals Division activity in the future for supplying RegO. Mr. Sloma responded to this question and a general discussion then ensued regarding the status of the copper market. Mr. Magnuson offered his comments on metal prices. This led into a discussion and a request by Mr. Dunn that a "storm cellar" plan be prepared. Mr. Smith stated that essential elements for such a plan be made ready for the next Executive Committee meeting, but at Mr. Sloma's request the Committee agreed to wait for Division's plans which are now being prepared on that very point. Mr. Smith requested that this be completed for the September meeting. Mr. Sloma reported on his trip to the Philippines and advised the members that RegO Philippines, Inc. is now in existence.

Golconda Mining Activities - H. F. Magnuson

Mr. Magnuson reported that silver continues to show gains in price. The Alice project is moving ahead. Mr. Featherstone was on site conducting activities last Monday. Some assessment work has been completed on unpatented claims. Mr. Magnuson recommended that the Committee consider alternatives for the use of the Alice shares. This recommendation was favorably received, but no definite plan was adopted.

Personnel Matters - R. H. Watson

Mr. Watson presented a detailed report on "Product Line Operations Management", being the reorganization of RegO operations. After this presentation, he responded to many questions from the members. The matter was thoroughly discussed. The Committee indicated its concurrence with the action that is being taken by RegO management.

Legal Matters - J. M. Stogin

Mr. Stogin commented on the Post Effective Amendment which will be filed for the S-8, copies of which have been sent to all Board members. Approval has been received from the S.E.C. for the further purchase of preferred shares and debentures of Golconda, but no purchases have been made under the new authority so far. In furtherance of a request made at a previous meeting that Mr. Stogin follow up the termination of the S.E.C. investigation, he advised that Mr. Friedman would be supplying the company with a

letter on this matter since the S.E.C. does not issue a formal notice of the termination of a private investigation. Mr. Stogin commented on a recent article in the Wallace Miner which incorrectly stated the payment of a dividend on the common stock.

Phase 4 Effect on Golconda - J. M. Stogin

Mr. Stogin reported on the current status of Phase 4 regulations, describing the proposed method of calculation for pass through of cost increases. The effect will probably be to permit maintenance of dollar margins but not percentage profit margins.

American Stock Exchange Listing - Gordon P. Smith

Mr. Smith reported on the status of the listing with the American Stock Exchange, that they had tabled the application and that no further action will be taken in the near future.

Golcond Metals Division Financing - Gordon P. Smith

Messrs. Smith, Adams and Stogin reported on meetings which were held to further the financing of the Golconda Metals Division project. Mr. Stogin reported that the Village of Alsip has adopted a formal resolution relating to the project and that draft copies of a Lease and Trust Indenture are being supplied the appropriate parties for review.

Hecla Stock and Other Investments - Gordon P. Smith

Mr. Smith reported that in the current fiscal year, 85,200 shares of Hecla have been sold at an average price of approximately \$18.60 per share. The established procedure is being followed with Lehman Brothers still pursuing possible sale of the block to a Japanese interest. Mr. Smith stated a need to pinpoint the responsibility for the sale of Hecla. He called for the views of the members. Mr. Magnuson commented, in his opinion the program being followed was a sound one and it should continue to be pursued. A general discussion then ensued with Mr. Magnuson commenting with his view of the metals market with respect to silver. Mr. Smith reported on recent conversations with Mr. Clyde Keith of The Illinois Company. Mr. Magnuson moved, Mr. Dunn seconded and it was unanimously agreed that the Committee recommend to the Board a continuation of the present program of averaging up on sales of Hecla shares through Lehman Brothers.

New Business Opportunities

There was nothing to report under this category.

Other Matters

Stock Dividend. Mr. Magnuson raised the question as to consideration of a possible stock dividend on the common shares. Mr. Smith requested Mr. Adams to prepare an analysis on this matter for the September Board meeting.

The next meeting of the Executive Committee meeting will be held August 22, 1973 at the Chicago office.

There being no further matters to come before the Committee, the meeting was adjourned at 2:15 P.M.


Secretary

APPROVED:


Chairman

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

A Special Meeting of the Board of Directors of Golconda Corporation was held on Thursday, August 2, 1973, at the Westgate Plaza Hotel, San Diego, California, pursuant to notice. The following members were present:

C. Arnholt Smith
Gordon P. Smith
Daniel L. Brenner
R. M. Dunn
W. Featherstone
H. F. Magnuson
A. D. Martin
R. S. Sloma
W. L. Sly
P. A. Toft

Present as guests were: Messrs. D. W. Adams. J. M. Stogin and C. Hugh Friedman.

The meeting was called to order at 1:00 P.M. by the Chairman, C. Arnholt Smith. A motion was made to approve the Minutes of the Board meeting of June 28, 1973, as submitted, with the following correction to page 4:

The sentence in the middle of the page should read as follows, with the correction underlined:

"The Board then unanimously authorized the Executive Committee to have the power to commit the company for projects pertaining to the expansion of existing businesses, including the funding thereof, but that a special Board meeting should be called for decisions on the acquisitions of other companies."

The Minutes were unanimously approved as corrected.

American Stock Exchange Status - Gordon P. Smith

Mr. Gordon P. Smith commented on the tabling of the listing by the American Stock Exchange.

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S.E.C. Matters re: Westgate - D. L. Brenner

Mr. Brenner brought the Board up-to-date on the status of S.E.C. proceedings against Westgate-California Corporation and others. He stated that developments so far were favorable to Westgate's position. Mr. C. Arnholt Smith commented on the proceedings and indicated there would be no resignation from Golconda's Board by himself or Mr. Toft, nor would there be any interference with the operations of Golconda.

Duff, Anderson & Clark Study - Gordon P. Smith

Mr. Gordon P. Smith called to the attention of the Board certain erroneous statements made in the report issued by Duff, Anderson & Clark. He then read to the Board the letter which he proposed sending to Mr. Hansen of Duff, Anderson & Clark. He next reviewed the sequence of events at the last October Board meeting and November Executive Committee meeting. A discussion ensued with Messrs. Friedman and Toft commenting. Mr. Magnuson presented a recap of his recollection of the events. Mr. C. Arnholt Smith stated that it was his impression that the cost of the study would be shared. After further discussion, Mr. Gordon P. Smith was authorized to send the letter. A copy of the letter being sent was distributed to each member of the Board. The Chair went on to clarify the purpose of the study.

Hecla Stock - C. Arnholt Smith

The Chairman pointed out that he made a study of the metals market and offered his recommendation that the sale of Hecla be discontinued. He proposed that the Bastian-Blessing Division be sold for the purpose of meeting the cash needs of the company and for the possible purchase of preferred, debentures and common stock. A general discussion ensued regarding the metals market and potential prices in the near future. Mr. Gordon P. Smith stated that he was in favor of halting the Hecla sales, as long as a viable alternative was available to meet the cash needs of the company. After further discussion, Mr. C. Arnholt Smith recommended that a committee, consisting of Messrs. H. F. Magnuson, R. M. Dunn, Gordon P. Smith and C. Arnholt Smith, be established to study the metals market and prices and to keep the Board advised. A motion in favor of this proposal was made by Mr. Brenner, seconded by Mr. Sly, and unanimously adopted.

Bastian-Blessing Division Sale - C. Arnholt Smith

The Chairman reported a cash offer of \$7.4 million, exclusive of accounts receivable and inventory, received through Clyde Keith of The Illinois Company. A substantial discussion ensued on this subject, with Mr. Sloma commenting on the growth plans for the division. After a prolonged discussion, the following resolution was presented

by Mr. Magnuson, seconded by Mr. Dunn, and unanimously adopted:

RESOLVED, That a Management Committee, consisting of Gordon P. Smith, Richard S. Sloma, Donald W. Adams and J. M. Stogin, be appointed to review the proposal and the business decision involved. If the consensus of that Committee is that a sale for \$7.4 million, plus receivables and inventory, would be favorable to the company, they are then authorized to proceed with negotiations and report back to the Executive Committee. If the Executive Committee approves, the Management Committee is then to proceed with plans to consummate the deal.

Acquisitions - Gordon P. Smith

Mr. Gordon P. Smith raised the question as to the Board's posture regarding corporate growth. Mr. Sly offered the comment that the track record thus far has been good. Mr. C. Arnholt Smith commented that there has been no upward effect on the stock price and, in his opinion, such would continue to be the case even if the earnings per share doubled. A discussion ensued regarding the effect of earnings per share on market prices. The Chairman, Mr. C. Arnholt Smith, urged growth without other acquisitions. Mr. Sloma specifically raised the question regarding Hennells. Mr. Sly moved that management be given leeway regarding acquisitions. There was no second to this motion. Mr. Toft stated that in view of the decision regarding the sale of Hecla and the company's cash position and needs, he was making a motion that the two major potential acquisitions be notified that we are not going ahead with acquisitions. This motion was seconded and unanimously approved.

Inventory and Receivables - C. Arnholt Smith

The Chairman commented on the levels of inventory and receivables, to which Mr. Sloma responded comparing actual results which showed sales up 20% with inventory down 3%. This matter was then discussed.

The next regular meeting of the Board of Directors is scheduled for September 27, 1973 at the Chicago office.

There being no further business to come before the Board, the meeting was adjourned at 3:20 P.M.


Secretary

APPROVED:

Chairman

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, August 22, 1973 at 9:00 A.M. at the Corporate Offices located at 4201 West Peterson Avenue, Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
Harry F. Magnuson
Richard S. Sloma
Philip A. Toft
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio.

Mr. Sloma introduced the following, who were present as guests: Messrs. R. R. Del Presto, J. W. Hasselbring, D. R. Keller, P. G. Plotica, N. H. Tiffen and D. V. Ytterberg.

The meeting was called to order at 9:05 A.M. by the Chairman, Mr. Gordon P. Smith. Mr. Dunn moved that the Minutes of the Executive Committee meeting of July 25, 1973 be approved as submitted. This motion was seconded by Mr. Magnuson and unanimously adopted.

Corporate Financial Matters - D. W. Adams

Mr. Adams reported that the operating profit was below runout and plan, and that a loss was experienced for the month due to lower RegO sales, increasing material variations and a building in RDC inventory. RegO's net was down despite an increase in sales. There was a Three-quarter million dollar swing in material price variation on a year-to-year basis. Other divisions were basically on plan and target. Increased interest expense reflects the higher rates being experienced. The balance sheet shows receivables down and inventories up. The August collection program is ahead of goal to date. The inventory turnover rate decreased to 3.3 from 3.4 and 1972 was 3.2. Mr. Dunn inquired as to the target. Target is set at 3.5. Cash flow exceeds runout by \$861,000, reflecting sales of Hecla stock. Return-on-assets is 0.4 below the target runout due to excess asset levels and profit at lower than goal. Mr. Adams distributed the Analysis of Reserves. Mr. Toft questioned the effect of variations from the standard on inventories. This matter was then discussed. Mr. Adams next distributed the

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mid-month forecast, which indicated a strong fourth quarter. Mr. Smith commented that the deferred compensation and debenture reserve would be reflected in the third quarter. Last year's results at that time reflected the sale of land by Pioneer Astro Metallics. The forecast indicated that the nine months results in 1973 should exceed the 12 month total for 1972. Mr. Smith requested information as to administrative expenses. The forecast was then discussed.

Report on Operations - R. S. Sloma

Mr. Sloma commented that all of the General Managers for each of the Profit Centers were present, and that they would, in turn, present the results for their respective areas.

International - P. G. Plotica

Mr. Plotica distributed the Profit Sources Report. Mr. Adams commented on the accounting treatment. There were numerous questions and discussions about the figures. Mr. Smith suggested that the method of reporting be examined, and Mr. Sloma stated he welcomed suggestions from the Executive Committee. Mr. Toft inquired as to capital needs for projects under consideration. Mr. Plotica replied that there were three projects at about \$150,000 each in the mill. Mr. Sloma commented that the Brazilian project could eventually reach \$1,000,000.

Anderson Copper and Brass - D. V. Ytterberg

Mr. Ytterberg presented and discussed the mid-month forecast, which showed July ahead of forecast on the runout and a very strong order intake. August should be on plan but raw materials present a problem. In response to a question from Mr. Dunn regarding the effect on Anderson's sales through RegO, Mr. Ytterberg stated that none was evident as yet.

Pioneer Astro Division - J. W. Hasselbring

Mr. Hasselbring presented his mid-month forecast and commented on the July losses which were occasioned by the 2-week shutdown, and the start up costs for the Gauge Program. Order intake is strong, and August should show a pick up in profit. Mr. Hasselbring elaborated on the gauge equipment problems and indicated a possible inventory exposure due to scrap and higher labor costs initially. This should not impact the year-end figures because of sales to non-RegO customers. He advised the members of a possible inventory exposure on M & M. In response to a question by Mr. Magnuson as to the possible total dollar exposure, Mr. Hasselbring replied \$10,000. A

physical inventory will be taken the first Saturday of September.

Bastian-Blessing Division - R. R. Del Presto

After distributing the mid-month forecast, Mr. Del Presto commented on the McDonald's business and shipments in the coming months. Some suppliers are suggesting that the company obtain second sources of supply and indicated price increases will be forthcoming. Mr. Del Presto commented on the effect the increase in prime rate is expected to have on future building levels.

Golconda Metals - D. R. Keller

The mid-month forecast was presented and Mr. Keller reported that the project is on target, and that all permits, such as EPA, etc. have been received. The month of September reflects payment for equipment. Purchases of the die casting equipment have begun. He then made a slide presentation showing the progress of the facilities.

RegO Distribution Center - N. H. Tiffen

Mr. Tiffen distributed the mid-month forecast, reflecting July below the runout in profit and order intake. He commented that the market was unexpectedly soft in July but that August should be better.

The RDC II facility is being set up and is currently ahead of schedule.

RegO - R. S. Sloma

Mr. Sloma reviewed the mid-month forecast, predicting that August should be a record month (excluding year-end months). Inventory should be down, but accounts receivable will be up over July, due to higher August sales. The third quarter is behind runout, but the 9 months should be greater than, or equal to, the runout. Order intake is behind and should pick up later. Possible problem areas indicated were the increased cost of brass and the high material price variations. Obtaining raw materials continues to be a problem and the action being taken was described. Possible price increase action was discussed. Mr. Tiffen commented that there is no immediate relief in sight for the tight price situation. This casts a cloud on the runout projection. Mr. Magnuson offered his comments on the metals market. The Sears and U. S. Divers business was discussed. Mr. Sloma expressed confidence that the '73 results would be achieved and that '74 targets would somehow be met. Mr. Smith confirmed the '73 runout results and indicated no change in the '74 plan at this time.

The meeting was recessed for lunch at 12:13 P.M., and reconvened at 12:50 P.M. The guests were not present for the afternoon session.

Personnel Matters - R. H. Watson

Mr. Watson commented on the pickup in activity by the Machinists' Union, and reported the resignation of Mr. O'Connor. Operation PLOM will start September 1. Recruiting is still taking place for an inventory man at RegO. A new man has been hired for the Fluid Power Marketing group. Mr. Watson presented concepts for benefit planning in 1974.

Legal Matters - J. M. Stogin

Mr. Stogin presented resolutions for changing the bank accounts to the American National Bank for the signature of those directors present. Copies were mailed to all other directors for their concurrence. It was reported that Mr. Magnuson is still serving as a director of Hecla, since the company has not disposed of its interest in Hecla.

Golconda Mining Activities - H. F. Magnuson

Mr. Magnuson reported that the price of silver was off, but bouncing around, and that it was still fundamentally sound. Alice Consolidated has been quoted at \$.85 a share and the project is moving ahead. Mr. Featherstone has been on site during the week and it is expected that about September 1 the project will go to a 2-shift basis. Assessment work is continuing on other parcels. Mr. Magnuson commented on the Hecla Lake Shore fire.

Financial Planning and Strategy - Gordon P. Smith

Mr. Smith presented for discussion a cash flow memo, which was previously distributed to the members. Mr. Stogin commented on the status of the Alsip financing. Each exhibit contained in the memorandum from Mr. Smith was discussed in detail. The impact on the '74 plan and the treatment of the '74 plan, as shown in exhibit VI was specifically commented upon. Mr. Smith, at the conclusion of his review of the exhibit, called for comments or questions. Messrs. Magnuson and Dunn asked about the status of the Bastian-Blessing project. Mr. Smith reported on his meeting with Clyde Keith. A discussion then ensued regarding the use of the proceeds to temporarily solve the cash problem and to provide a continuing income stream. Mr. Toft questioned the levels of inventory and receivables and what could be done with these to buy time to permit the Committee of the Board to evaluate the Hecla position. Mr. Sloma responded as to

the inventory plans. A general discussion took place. Management is to take such action as it can to reduce inventories, receivables, etc. to minimize the cash needs. Messrs. Dunn, Magnuson and Smith will contact Mr. C. A. Smith with respect to developing a plan to meet cash needs through the sale of Hecla. Mr. Magnuson suggested that the mortgage on the RegO property be renegotiated, if possible, and Mr. Smith was granted authority to move on it. The Board resolution on the possible sale of Bastian-Blessing was reviewed.

The next regular meeting of the Executive Committee will be held on Wednesday, September 26, 1973 at the Corporate Offices.

There being no further business to come before the meeting, at 3:18 P.M. a motion was made by Mr. Magnuson, seconded by Mr. Dunn, and unanimously adopted that the meeting be adjourned.


Secretary

APPROVED:


Chairman

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, September 26, 1973 at 9:00 A.M. at the Corporate Offices located at 4201 West Peterson Avenue, Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
Harry F. Magnuson
Richard S. Sloma
Philip A. Toft
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

Present as guests were:

J.W. Hasselbring
D.R. Keller
P.G. Plotica
R.R. DelPresto
D.V. Ytterberg

The Chairman, Mr. Gordon P. Smith, called the meeting to order at 9:04 A.M. Mr. Dunn moved the minutes of the Executive Committee meeting of August 22, 1973 be approved as submitted. This motion was seconded by Mr. Toft and unanimously adopted.

Corporate Financial Matters - D.W. Adams

Mr. Adams referred to the letters of Mr. Smith and Mr. Sloma contained in the monthly report, pointing out records which were established in August. Collections of receivables were very favorable. Corporate expenses reflected a pickup of deferred compensation and debenture income items. Mr. Adams reviewed the reserves pointing out a write-off of obsolete inventories at RegO. He distributed the September mid-month forecast which was reviewed and Mr. Smith commented on the favorable trend of manufacturing earnings per share; 1971 - \$.07; 1972 - \$.37; and the 1973 forecast \$.60. Mr. Smith then invited questions and comments.

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Report on Operations - R.S. Sloma

Mr. Sloma distributed the Profit Assurance Plan for 1974. He summarized the approach taken on the preparation of the plan and welcomed comments from the members after they have had an opportunity to review the plan. Mr. Smith recommended that the members review the matter for discussion at the October meeting.

Bastian-Blessing - R. R. Del Presto

Mr. Del Presto presented his mid-month forecast. He advised the members that a pink flag was being raised at this time in connection with deferrals of commitment orders to next year by major customers. Approximately \$700,000 of fiscal 1973 sales are being moved to 1974. In response to a question by Mr. Magnuson, Mr. Del Presto stated that sales were deferred by the customers, not cancelled.

Pioneer Astro - J.W. Hasselbring

Mr. Hasselbring reviewed the mid-month forecast, highlighting that order intake was greater than forecast. He pointed out that material shortages were experienced in September, especially in castings. The gauge program is improving. M & M Flow Products reached a new shipping record in August and should exceed the plan and runout for the year. The backlog report indicated the highest backlog in the last five years. Mr. Smith inquired as to the cause for the improvement in 1973 profits. Mr. Hasselbring responded that improved margin on contract work had a significant impact as did the acquisition of M & M. There was then a general discussion about the turnaround at Pioneer.

Anderson Copper and Brass - D.V. Ytterberg

The mid-month forecast report was distributed indicating favorable results. Order intake is strong and backlogs are high. Material shortages have had some impact on operations. Personnel have been added to handle the volume and favorable results for the year appear to be assured.

Golconda Metals - D.R. Keller

Mr. Keller reviewed the history of the project. The division is now in production and Mr. Keller presented plaques to the members commemorating the start up. There was a general discussion regarding delays in equipment delivery. Mr. Keller presented his mid-month forecast and indicated full production was scheduled for December. Mr. Toft complimented Mr. Keller on his ability to improvise to get the program going. There was a brief discussion about the aluminum die casting project.

International - P.G. Plotica

Mr. Plotica reviewed the mid-month forecast and pointed out that September's results reflected shipment problems at RegO. He commented on his recent trip to Messengers. and his contacts with new sources.

RegO Distribution Center - R.S. Sloma

In the absence of Mr. Tiffen, who was attending a convention of the LP Gas Association, Mr. Sloma presented the mid-month forecast. August sales were short but profits held to forecast levels. The forecast for September sales were down due to RegO shipment problems. Order intake was showing some softening reflecting fear of a propane gas shortage. This was expected to turn around in the next 60 to 90 days. The newest RegO Distribution Center established in New Jersey has begun shipment.

RegO - R.S. Sloma

Mr. Sloma distributed the mid-month forecast. He went on to comment on the many records set in August. Third quarter order intake was below the runout reflecting the phaseout of the U.S. Divers business. Sears shipments are OK now but will be phased out by May 1974. Contacts are being made with competitors of U.S. Divers and Sears. The outlook for September is for sales and profits to be down compared to forecast. October should show a turn around, and November's profits will reflect any year-end adjustments. The forecast for inventory was for a decrease. In summation, Mr. Sloma expressed his confidence in achieving year-end goals. Mr. Smith commented on the outstanding performance of the entire management team citing individual instances of same.

The general managers were excused from the meeting at this point.

Personnel - R.S. Sloma

In the absence of Mr. Watson, who was at the Grand Haven plant, Mr. Sloma covered various personnel matters. He mentioned the increased Union activity at RegO and stated that the company may receive a notice of election.

Mr. Smith requested that the Compensation Committee meet before the October Executive Committee meeting to review compensation matters for the new fiscal year.

Legal Matters - J.M. Stogin

Mr. Stogin reported on the status of the directors and officers liability insurance coverage. He reviewed with the members the considerations which St. Paul indicated they wanted to apply to the coverage. These were thoroughly discussed and are to be presented to the full Board tomorrow.

Mr. Stogin next discussed the proposed change of its Chicago transfer agent and registrar functions to the American National Bank. The members were advised of the approaching preferred dividend dates. He next reported on the status of the Alsip revenue bond financing for Golconda Metals. This is proceeding with the attorneys. He reported that the Registration Statement (S-8) for the Monthly Investment Plan became effective on September 19th without comment by the S.E.C. Mr. Stogin reported that the NASIF case is proceeding and such information as was available has been supplied to outside counsel.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson expressed his continuing bullish attitude for the silver market pointing out that at the time of the freeze the price was \$2.71 per ounce and yesterday it closed at \$2.86. He commented that there has been no significant change in activity in silver shares. The Alice project was reported to be on target. The drift at 390 feet had advanced by the end of August and is now 100 feet from the Alice line. Diamond drilling will not take place until after June 1974.

The meeting was recessed for lunch at 12:12 P.M., and reconvened at 12:48 P.M.

Financial Requirements and Planning - Gordon P. Smith

Mr. Smith reported on his telephone conversation this day with C. Arnholt Smith. He went on to recap the Bastian-Blessing situation, reviewing the events at the August 2nd meeting and the resolution then adopted. He discussed in detail his meeting with Clyde Keith on August 7th and various telephone conversations since that time. There was a lengthy discussion on the subject of the sale of the Bastian-Blessing Division. Mr. Stogin was instructed to draft a letter for Mr. C.A. Smith to send to Sunbeam with a copy to Clyde Keith.

The meeting with Mr. Harter of State Mutual was recapped for the members. Specific mention was made of Mr. Harter's statement that the note would be called for payment if the Bastian-Blessing Division was sold.

Mr. Smith next reviewed once again Golconda's "cash crunch" and his earlier memo on the subject. He highlighted pertinent comments that Mr. Harter made with respect to the financial position of the company. The need for selling shares of Hecla was once again raised. Mr. Smith reported on the meeting with Lehman Brothers and their comments regarding the capitalization of the company. Mr. Smith in his capacity as President of Golvest Corporation, was instructed to sell 35,000 shares of Hecla at not less than \$16 per share by October 31st.

The next regular meeting of the Committee is scheduled for October 24, 1973 at 9:00 A.M. at the corporate office.

There being no further business, the meeting was adjourned at 4:04 P.M.

Secretary

APPROVED:

Chairman

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

The regular meeting of the Board of Directors of Golconda Corporation was held on Thursday, September 27, 1973 at the corporate offices located at 4201 West Peterson Avenue, Chicago, Illinois. The following members were present:

Gordon P. Smith
Daniel L. Brenner
Ray M. Dunn
W. Featherstone
H.F. Magnuson
A.D. Martin
R.S. Sloma
W.L. Sly
P.A. Toft
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

The Chairman, Mr. C.A. Smith, was not in attendance. In his absence, Mr. Gordon P. Smith, Vice Chairman, called the meeting to order at 9:16 A.M. Mr. Dunn moved that the minutes of the meeting of the Board of Directors held on August 2, 1973 be approved as submitted. This motion was seconded by Mr. Sloma and unanimously adopted.

President's Report - Gordon P. Smith

Mr. Smith recapped the progress of the company in the past six quarters. The projected result in the fourth quarter should yield a record year. The data from Mr. Smith's letter contained in the management report was reviewed. Mr. Smith commended Mr. Sloma and all of the general managers for the performance to date. He extended his commendations to the officers, the Executive Committee and to the Board. Mr. Brenner added his comments to those of Mr. Smith's.

Corporate Financial Matters - Donald W. Adams

Mr. Adams commented on the increased potential borrowing and the impact of high interest expense on year-end results. The need for additional financing was pointed out. Mr. Brenner inquired as to the amount of bank debt and current rate being

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paid. Mr. Adams reported that there was about \$2-1/2 million of bank debt currently outstanding at the prime rate. Mr. Smith invited questions from the members.

Mr. Dunn commented on the storm cellar plan.

Report on Operations - R.S. Sloma

The storm cellar plan, previously distributed to the members, was reviewed. Mr. Sloma discussed the premises underlying the plan. Mr. Brenner inquired as to any potential losses on receivables, to which Mr. Adams replied there were no major losses expected.

The continued tight brass situation was discussed, highlighting increased price and limited availability of materials. Throughout the discussion of the metals markets Messrs. Sly and Magnuson offered comments. Mr. Smith commented on the impact on sales and the high interest rates. Mr. Magnuson offered his comments as to the outlook for the financial market. He joined Mr. Smith in his previous comments regarding the fine results achieved by the management team.

Personnel - R.H. Watson

Mr. Watson discussed the step-up in Union activity at the RegO Division. He went on to discuss the PLOM system which has been put into effect. He next presented for consideration of the members a voluntary savings plan which would permit any employee to save up to 10% of base pay and invest it through Connecticut General. The plan was then discussed and the following resolution was made by Mr. Dunn, seconded by Mr. Magnuson and unanimously approved:

"WHEREAS, there is a form of voluntary savings plan which can be made available to employees of Golconda Corporation, through Connecticut General.

WHEREAS, the company wishes to make this plan available to its employees,

THEREFORE, be it

RESOLVED, That the officers of this corporation are hereby authorized to perform any and all such acts as are necessary and proper to permit the participation of Golconda employees in a voluntary savings plan with Connecticut General Life Insurance Company."

Mr. Brenner inquired as to the status of the Monthly Investment Plan. Mr. Stogin reported that the latest Amendment to the Plan had been filed and the S.E.C. made it effective without any comment. Copies of the latest prospectus were distributed to all of the members.

Mr. Watson then went on to discuss an inconsistency with respect to the contingent annuitant option in the plan. It was agreed that the oversight should be corrected and the following resolution was offered by Mr. Dunn, seconded by Mr. Toft and unanimously adopted:

"THE GOLCONDA CORPORATION RETIREMENT PLAN FOR SALARIED EMPLOYEES, as last amended and restated as of January 1, 1971, and the Document adopted by the Board of Directors of GOLCONDA CORPORATION, to evidence said plan, is hereby amended effective as of December 1, 1967, as follows:

Paragraph 6.2, Section (a) of the Plan is amended to read as follows:

'An Employee may elect this option at any time after reaching his 53rd birthday and completing 8 years of Continuous Service. Except as provided under (c)(1) below, an Employee may not elect this option after reaching his 63rd birthday.'

Mr. Smith requested that the Compensation Committee meet to establish compensation in connection with the 1974 plan.

At this point in the meeting, Mr. Sloma introduced Carlos d'Jaen. Mr. Sloma and Mr. d'Jaen commented on developments in the Far East with respect to RegO Far East and RegO Philipines.

Legal Matters - J.M. Stogin

The status of the directors and officers liability insurance was presented by Mr. Stogin. He reviewed with the members considerations which St. Paul indicated they wanted to apply to the coverage. These were thoroughly discussed. The following amendment to the By-Laws was moved by Mr. Magnuson, seconded by Mr. Toft and unanimously adopted:

"RESOLVED that the By-Laws of Golconda Corporation are amended to read as follows:

ARTICLE VI, SECTION 2.

"No director, officer or employee of the Company shall have any position with or a substantial interest in any other business enterprise operated for a profit, the existence of which would conflict or might reasonably be supposed to conflict with the proper performance of his Company duties or responsibilities, or which might tend to affect his independence of judgment with respect to transactions between the Company and such other business enterprise, without full and complete disclosure thereof to the Board of Directors. Each director, officer or employee who has such a conflicting or possibly conflicting interest with respect to any transaction which he knows is under consideration by the Board or any of its Committees, is required to make timely disclosure thereof so that it may be part of the Directors' consideration of the transaction. The Board of Directors, who may act through an appropriate Committee, shall adopt such regulations and procedures as shall from time to time appear to them sufficient to secure compliance with the above policy."

Mr. Stogin was authorized to proceed with obtaining directors and officers liability coverage in keeping with the requirements expressed by St. Paul, subject, however, to a cross-check with Mr. Brenner as to the exclusion relating to consolidations, mergers and tender offers.

Mr. Stogin pointed out that from time to time various Golconda directors and employees were requested to serve as directors and/or officers of wholly-owned subsidiaries and/or joint ventures or other projects in which Golconda Corporation has an interest. The need for indemnifying individuals acting on behalf of Golconda in other capacities was presented. After thoroughly discussing the matter, the following resolution was unanimously adopted:

"RESOLVED, that any present or future director or officer, or the executor, administrator or other legal representative of any such director, or officer of Golconda Corporation, who, at the request of Golconda serves as a director or officer of another company for the benefit of Golconda, shall be indemnified by the corporation against reasonable costs, expenses (exclusive of any amount paid to the corporation in settlement), judgments, fines, amounts paid in settlement of any action, suit or proceedings, and counsel fees paid or incurred in connection with any action,

suit or proceeding to which any such director or officer or his executor, administrator or other legal representative may hereafter be made a party by reason of his being or having been such director or officer; provided, (1) said action, suit or proceeding shall be prosecuted against such director or officer or against his executor, administrator or other legal representative to final determination, and it shall not be finally adjudged in said action, suit or proceeding that he had been derelict in the performance of his duties as such director or officer, or (2) said action, suit or proceeding shall not be settled or otherwise terminated as against such director or officer or his executor, administrator or other legal representative without a final determination on the merits, and it shall be determined that such director or officer had not in any substantial way been derelict in the performance of his duties as charged in such action, suit or proceeding, such determination to be made by a majority of the members of the board of directors of Golconda who were not parties to such action, suit or proceeding, though less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the board of directors. For purposes of the preceding sentence: (a) "action, suit or proceeding" shall include every action, suit or proceeding, civil, criminal or other; (b) the right of indemnification conferred thereby shall extend to any threatened action, suit or proceeding and the failure to institute it shall be deemed its final determination; (c) the termination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; (d) a judgment of conviction in any criminal action, suit or proceeding shall not constitute a determination that the person so convicted has been derelict in the performance of his duties if it is determined by a majority of the members of the board of directors of Golconda who were not a party thereto, though less than a quorum, or by one or more disinterested persons in the manner provided in the preceding sentence that the person so convicted acted in good faith, for a purpose which he reasonably believed to be in the best interests of the company and that he had no reasonable cause to believe that his conduct was unlawful; and (e) advances may be made by the company against costs, expenses and fees as, and upon the terms, determined by the board of directors of Golconda. The corporation shall indemnify an employee who is not an officer to the same extent that it does an officer. The foregoing right of indemnification shall not be exclusive of any other rights to which any director or officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification hereby granted by the company shall be in addition to and not in restriction

or limitation of any other privilege or power which the corporation may lawfully exercise with respect to the indemnification or reimbursement of directors, officers or employees."

The need for a Golconda Metals Division disbursement account was presented and a standard form of bank resolution attached and incorporated by reference with these minutes, was unanimously adopted. The entire Board ratified the resolutions previously adopted relating to the American National Bank accounts approved by mail vote.

Mr. Stogin next discussed the proposed change of the Chicago transfer agent and registrar functions to the American National Bank. The Board approved the change, with the formal resolutions to be adopted at the next meeting. Mr. Stogin was authorized to proceed with the detail necessary to implement the change. Upon being advised that the dividend for the third quarter was up for consideration, the Board unanimously approved the following resolution:

"RESOLVED, that the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is October 15, 1973 and payment date November 6, 1973. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

RESOLVED FURTHER, that the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform and and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

Mr. Stogin reported that the company has established a wholly-owned subsidiary RegO Distribution Center, Inc. in New Jersey.

The status of the revenue bond financing project for Golconda Metals in the Village of Alsip was reviewed.

Golconda Mining Corporation - Wray Featherstone

Mr. Featherstone reported that the Alice project was proceeding very nicely on a one shift basis. Assessment work on various parcels has been concluded for the year. An inquiry from Ethyl Corporation has been received in connection with the possible leasing of the Golconda Mill. In connection with the Black Bear Mine, in which Golconda has an ownership, there is a test run being made for possible zinc deposits.

Financial Requirements and Planning - Gordon P. Smith

Mr. Smith stated that there were two major items to be considered under this heading. First, a progress report on the possible sale of Bastian-Blessing and second, the pressing cash needs of the company.

Bastian-Blessing --- Mr. Smith recapped the meeting of the Board of Directors on August 2, 1973 and reviewed the sequence of subsequent events. Mr. Watson reported on yesterday's visit by Sunbeam personnel to the Bastian-Blessing plant. Mr. Adams next presented for consideration the impact on earnings per share of the potential divestiture. Mr. Smith reported on his meeting with Lehman Brothers in New York. He went on to comment regarding a financial advisor to the company, stating that the company does not have an official advisor, notwithstanding representations made by Mr. Keith of The Illinois Company. The discussion continued with respect to the sale of Bastian-Blessing and Mr. Magnuson presented the following resolution which was seconded by Mr. Dunn and unanimously adopted:

"RESOLVED, That a Management Committee, consisting of Gordon P. Smith, as chairman, Richard S. Sloma, Donald W. Adams and John M. Stogin, is hereby appointed as the exclusive representative of this company for the purpose of meeting and negotiating with authorized representatives of Sunbeam Corporation in connection with the possible acquisition by Sunbeam of certain Golconda assets."

It was recommended that Mr. C.A. Smith forward a copy of the resolution to Mr. John Diederichs of Sunbeam Corporation.

Mr. A.D. Martin left the meeting at this point.

Cash Situation --- Mr. Smith discussed the expenditures made for M & M, Anderson Copper & Brass, and other projects previously approved by the Board. He explained the various alternatives available for raising cash and commented upon loan provisions providing for an increase in bank borrowing for 90 days. After discussion Mr. Dunn offered the following resolution which was seconded by Mr. Toft and unanimously adopted:

"RESOLVED, that in view of the Company's cash needs resulting from commitments made over the past year for development of new profit-generating projects, the Company's Hecla Stock Committee, is authorized to sell our Hecla stock on a piecemeal basis at market, but not less than \$14.50 per share, and at such a pace to meet present and projected cash needs insofar as possible depending upon the ability of the market to absorb such sales without adversely influencing the price of Hecla stock."

It was recommended that Mr. Smith in his capacity as President of Golvest Corporation, implement the above resolution. It was recommended that not more than 100,000 shares be disposed of by December 31, 1973. Mr. Magnuson recommended that the officers be authorized to enter into an additional loan for \$1 million as previously discussed. This was seconded by Mr. Dunn and unanimously approved.

Other Matters

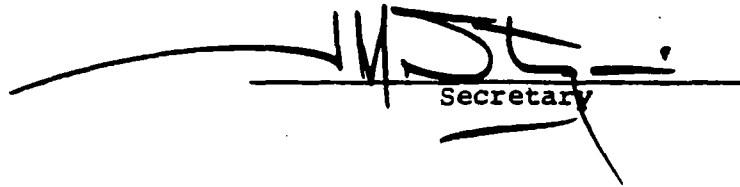
Mr. Sloma inquired as to the establishment of a planned date for the total sale of Hecla and a growth policy for the company. He asked for expressions from the other members on this subject. Mr. Magnuson stated that the Board has already committed proceeds to the needs of the company. Mr. Toft recommended holding off any planned acquisitions. It was the consensus of the Board, however, that nothing precludes looking at potential acquisitions and proposals, notwithstanding the tight cash situation if an acceptable means of financing is also presented.

Mr. Magnuson raised the possibility of the company instituting a stock dividend. A thorough discussion ensued and it was decided that an analysis was to be made by Mr. Adams for presentation to the Board at its next meeting.

Mr. Watson reported that while the meeting was in progress a petition for election was received from the Machinists Union.

The next regular meeting of the Board is scheduled for December 28, 1973 at 9:00 at the Stanford Court Hotel in San Francisco.

There being no further business to come before the Board the meeting was adjourned at 2:30 P.M.


Secretary

APPROVED:

(Vice)Chairman

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, October 24, 1973 at 9:00 A.M. at the Corporate Offices located at 4201 West Peterson Avenue, Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
Harry F. Magnuson
Richard S. Sloma
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

Mr. Philip A. Toft was absent.

Present as guests were:

J.W. Hasselbring
D.R. Keller
P.G. Plotica
R.R. DelPresto
D.V. Ytterberg
N.H. Tiffen
D.L. Brenner (joined the meeting later)

The Chairman, Mr. Gordon Paul Smith, called the meeting to order at 9:05 A.M. Upon motion of Mr. Sloma, which was seconded by Mr. Dunn, the minutes of the Executive Committee meeting of September 26, 1973 were approved as submitted.

Corporate Financial Matters - D.W. Adams

Mr. Adams reported that the cash problem continued from September. An additional \$6-700,000 will be borrowed this week. The outstanding balance at the end of the year is expected to be \$1,000,000 on the recent note with the American National Bank. Accounts payable are at their maximum permissible level. Mr. Adams reviewed the reserve analysis pointing out that there was nothing unusual in the month of September. The mid-month forecast was next distributed and discussed. The sale of Hecla should have a large impact in October. Mr. Dunn inquired as to October's forecast. Fourth quarter sales will be down due to a stretch-out by customers of deliveries. The outlook for the balance of the

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fiscal year as contained in the forecast does not reflect increased interest expense due to further borrowing. Mr. Dunn inquired as to the December forecast and the impact of McDonald's deliveries.

Report on Operations -

Each of the general managers distributed the mid-month forecast for his division.

International - P.G. Plotica

Shipments, especially ductile, still remain a problem. October shipments will be less than runout. November should reflect a partial catch up. A short fall for the year is forecast against runout. Mr. Plotica reviewed developments in Mexico and Europe.

Pioneer Astro - J.W. Hasselbring

Order intake continues strong. Inventory has been rising. Material shortages are impacting results, especially in castings. Backlog is the highest in four years and machine loading is a problem. In response to Mr. Dunn's inquiry regarding second shifts, Mr. Hasselbring reported that partial second shift operations were now taking place, but that people were still difficult to obtain. He reported that the pressure gauge project was gaining momentum. The inventory of M & M's products has been completed and there is no exposure. Mr. Magnuson inquired as to the fiscal 1974 forecast. Mr. Hasselbring reported a forecast of \$131,000 profit for fiscal '74. Mr. Magnuson commented on the negative cash flow, to which Mr. Sloma responded.

Bastian-Blessing - R.R. Del Presto

Mr. Del Presto reported on the impact McDonald's stretch-out has been having on the division. A general discussion ensued during which Mr. Del Presto reported that performance was not a problem, but rather better than 90% performance levels were achieved on McDonald's business. It was estimated that the first quarter of '74 will show a loss of \$12,000 compared to a \$50,000 loss in '73.

Golconda Metals - D.R. Keller

Mr. Keller reported that no true shipments took place in September, since brite dipping has not yet been installed. The October forecast reflects an improved learning curve. In response to Mr. Dunn's inquiry, it was reported that 75%

of forging and 75% of casting equipment is in. Die casting, melting, and brite dipping should be operational in November. December should be on target.

Anderson Copper & Brass - D.V. Ytterberg

September was ahead of forecast and plan. October should be OK. Although the brass rod supply is still very tight, November should also be OK. Mr. Magnuson inquired as to the cause of negative cash flow. This was reported to be a result of changes in vendors terms affecting accounts payable and equipment purchases. In response to Mr. Dunn's question regarding plastics, Mr. Ytterberg replied that he is now handling another company's line.

RegO Distribution Center - N.H. Tiffen

September was ahead of forecast and plan. Order intake was behind due to a scare in the propane industry. This was a result of a lack of understanding by the dealers of propane allocation and priorities set by the government. Mr. Tiffen reported that RegO Distribution Center, Inc. (New Jersey) has been well received by the market.

RegO - R.S. Sloma

October sales and profits should be equal to forecast. Order intake will be below forecast due to the LP Gas (propane) situation. Profits should be up in November. Mr. Sloma reported on the controllership change. He raised a red flag on the U.S. Divers account which was discussed. The brass situation is still tight and Mueller Brass Company has raised prices again. Inventory was up \$100,000 reflecting price adjustments. The CRIMP program was explained. This is aimed at the input side of inventory. A discussion of variance accounting took place.

Mr. Smith commented on cash flow data. Mr. Adams reported that the cash flow would not be positive in '74. The plan for '74 was reviewed and discussed in detail.

The guests were excused from the meeting at the conclusion of this discussion.

Profit Assurance Program - R.S. Sloma

As a carryover item from the prior meeting, Mr. Sloma

entertained questions and comments on the Profit Assurance Program which had been distributed at the last meeting. There were general comments and observations followed by a generalized discussion.

Mr. Daniel L. Brenner entered the meeting at this point.

Personnel Matters - R.H. Watson

Mr. Watson reported that the company had not received a petition for election from the IAM. The union withdrew its certification request since it did not have the required number of signed cards. He reported that a case involving holiday pay for strikers at the Bastian-Blessing Division was resolved by the arbitrator in the company's favor. Mr. Watson reported that there were still organizational gaps at the Controller's position at RegO, and the Plant Manager (Industrial Relations) position at RegO. A man has been recruited for the latter position.

Mr. Watson described the savings program and the possible capital gains treatment for the Voluntary Investment Plan (VIP). He pointed out that the insured plan should become "Trusteed".

Legal Matters - J.M. Stogin

Mr. Stogin reported on the status of the Alsip financing project which is proceeding. The statutory liquidation of Anderson Copper & Brass has been completed and the company dissolved. The land has been transferred by deed to Golconda.

Mr. Stogin requested that the Committee and the Board give consideration to the necessity for beginning the preparation of the proxy material for the 1974 annual meeting of shareholders. This matter is in abeyance pending resolution of the situation with respect to the possible resignations of Messrs. C. Arnholt Smith and Philip A. Toft. In connection with an earlier request to obtain a letter from the S.E.C. regarding dismissal of Golconda from the S.E.C.'s private investigation, it was agreed that this should be deferred in light of imminent resolution of the S.E.C. vs. Westgate litigation.

Mr. Stogin reported that he is proceeding with the American National Bank in bringing about the previously approved change of transfer agencies to American National. Work is proceeding and formal resolutions will be presented to the Board at the December meeting. Mr. Stogin was authorized to proceed with the disposition of the California real estate. He next commented on the fact that the State of Washington, which is the domicile of Golvest Corporation, is having a referendum on a state income

tax in early November. This situation will be watched closely. The directors and officers liability insurance policy has been received.

Golconda Mining Corporation - H.F. Magnuson

The silver market continues strong. Lead, zinc and copper also continue strong. The drift which was started has now reached the Alice Consolidated property. Mr. Magnuson reported that the mining portfolio remains stable.

Review of Financial Requirements and Planning - Gordon P. Smith

Mr. Smith reviewed a draft of a Dun & Bradstreet report. The unfavorable situation of the company's accounts payable was pointed out. State Mutual has consented to an additional \$1 million loan.

The Hecla committee reviewed the status of sales at this point. Sales through Lehman Brothers have been going well. Sales of a small quantity of shares were effected through Roberts, Scott and Company. It was decided to cease sales through Roberts, Scott and to cancel the order with The Illinois Company.

Bastian-Blessing Division Sale

The management committee reported on the status of the Bastian-Blessing Division sale. Mr. Smith recapped the background. The committee's proposal was outlined, consisting of:

- (1) Minimum of \$7.6 million as a going concern
- (2) Cash and/or instruments convertible to cash without cost to Golconda
- (3) Letter of intent from Sunbeam as a pre-condition to further steps.

The above was to be outlined to Sunbeam in a letter from Mr. Gordon Smith. The proposal to the company by the management committee included:

- (1) Commitment of proceeds to acquisitions or other approved purposes for enlarging sales and earnings
- (2) Goodwill write off situation must not change and an opinion letter indicating that must be obtained from Alexander Grant & Company
- (3) A fee, if any, should come from the price if Mr. C.A. Smith indicates there was an agreement for a fee.

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The foregoing was the management committee's proposal which was then opened for discussion. Mr. Magnuson stated that in his opinion there should be more emphasis on sale and less on reinvestment "immediately". A lengthy discussion ensued with all members participating. Mr. Dunn moved that the management committee plan be adopted. This was seconded by Mr. Magnuson with his side reservation as to the use of proceeds. The original motion was unanimously adopted.

The meeting was recessed for lunch and reconvened in Executive session at 12:30 P.M. Messrs. Adams, Stogin and Watson were not present.

The meeting was adjourned at 2:30 P.M. The next regular meeting of the Executive Committee is set for 9:00 A.M., Wednesday, November 28, 1973 at the corporate office in Chicago.


Secretary

APPROVED:

Chairman

LS 002336

INTER OFFICE MEMO

Date December 13, 1973
To Richard S. Sloma
Attn. cc: P.G. Plotica
R.M. Dunn
H.F. Magnuson
From Gordon Paul Smith
Subject RegO Mexico, S.A.



GOLCONDA CORPORATION
4201 WEST PETERSON AVENUE • CHICAGO ILLINOIS 60648

Your proposal for the formation of RegO Mexico, S.A., as presented in your November 9, 1973 document to the Executive Committee, has been approved unanimously by the members of the Committee.

Dick, this joint venture program appears to be an excellent potential for the company. I want to congratulate you and Phil Plotica for its development.

Gordon

GPS:cs

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, November 28, 1973 at 9:00 A.M. at the Corporate Offices located at 4201 West Peterson Avenue, Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
Harry F. Magnuson
Richard S. Sloma
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

Present as guests were:

D.R. Keller
P.G. Plotica
R.R. DelPresto
D.V. Ytterberg
N.H. Tiffen
D.L. Brenner (joined the meeting later)

The Chairman, Mr. Gordon Paul Smith, called the meeting to order at 9:02 A.M. The minutes of the October 24, 1973 Executive Committee meeting, as previously submitted, were unanimously approved upon motion by Mr. Sloma and second by Mr. Magnuson.

Corporate Financial Matters - D.W. Adams

Mr. Adams reported that this year should set all-time records for favorable results. The only sour notes are to be found on the balance sheet. Receivables and inventories remain high along with high levels of payables. It is expected that receivable levels will decline by year-end. The balance of the line of credit of \$1,000,000 has been used. In response to a question by Mr. Dunn, Mr. Sloma stated that the hedge-buying of material was not the purchase of futures but the purchase of actual material. Mr. Adams distributed the November mid-month forecast with comments. He described the change in the earnings per share calculation reflecting the preferred shares as dilutive common stock equivalents. He reviewed the fourth quarter outlook and the

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full fiscal year 1973 forecast. It is expected that the earnings per share calculation will reflect \$.91 for the year. In looking forward to December and January, he commented on the adverse effect of the non-sale of Hecla upon the results in 1974 as compared to the budget. The inventory reserves were reviewed with an indication that there would be a write-off at RegO of approximately \$50,000 for inventory obsolescence. Most of the reserves are expected to be used in year-end adjustments.

Report on Operations -

As a part of each general managers presentation, the mid-month forecast for his division was distributed.

International - P.G. Plotica

The International operation is benefitting in its margin from a recent RegO price increase. Shortages of materials still remain a problem, and as a consequence November's exports will not recover the earlier shortfalls. The year, however, will be ahead of last year. Mr. Plotica stated that the division will move strongly into 1974. There was a general discussion as to the source of copper for foreign operations, and a comparison of foreign and domestic prices.

Pioneer Astro - R.S. Sloma (for J.W. Hasselbring)

Mr. Sloma reported that security clearances have now been completed. He went on to comment on the favorable results achieved by the division for the year. November results look solid. Mr. Dunn inquired as to a breakdown of results for M & M and the gauge project compared with the original proposal. Mr. Sloma replied that Mr. Adams was preparing a post-audit of the proposal. In connection with the gauge program, Mr. Sloma stated that Pioneer Astro will be selling their own brand of gauges next year. The backlog forecast again shows a good pattern for future months. Materials and skills shortages continue to exist. Mr. Magnuson inquired as to the cash flow for Pioneer Astro in 1974. Mr. Adams responded to his question.

Bastian-Blessing - R.R. Del Presto

Mr. Del Presto reported that there would be a profit shortfall due to a reduction of labor input especially in the overtime category. For the year-end, inventory should be

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down and cash flow favorable. McDonald's shipments for November should be in the area of 13 - 17 stores. Previous indications were for a stretch-out of McDonald's business until May. The new requirements for McDonald's will be negotiated in February. In response to a question posed by Mr. Smith, Mr. Del Presto stated that 1/3 of all McDonald's stores are supplied by Bastian-Blessing. There was a general discussion of the amount of locked-in sales for 1974. Mr. Sloma stated that the company must look to an enhanced growth program to significantly change the rate of return on assets at Bastian-Blessing. There then followed a discussion of potential acquisitions in an overall concept framework.

Golconda Metals - D.R. Keller

Mr. Keller opened with a statement that it was one year ago that tentative approval of the Golconda Metals Division project was given. He reported that by independent test it has been proven that the product quality of the division is better than that of other suppliers to RegO. The operation is approaching the breakeven point. Materials prices remain volatile. In response to a question from Mr. Dunn as to when sales would be made to non-company customers, Mr. Keller stated that such sales would take place after Anderson's and RegO's needs are met, which probably will be late in the fourth quarter of 1974. He reported that die casting production will start in December and rod production at the end of December or beginning of January.

Anderson Copper & Brass - D.V. Ytterberg

Mr. Ytterberg reported that the decrease in November's sales would be offset by higher sales in December. The operation continues very favorable.

RegO Distribution Center - N.H. Tiffen

Mr. Tiffen reported that the operation was below plan on profit and sales. Order intake is down as a result of adverse psychological impact resulting from propane rationing. The division is ready to take on a fourth product line. In this regard, Mr. Tiffen demonstrated a propane heater. The backlog for 1974 is at a good level. Mr. Sloma described to the members the outstanding effort put forth by Mr. Tiffen and others in achieving the move to the new RegO 50 facility. The members of the committee commended Mr. Tiffen and his group.

RegO - R. S. Sloma

Mr. Sloma reported that accounts receivable, as a result of all-time high collections in November, should be down by November 30th. The profit shown on the forecast for November reflects some year-end adjustments. Inventory remains a problem, but the necessary corrections are being implemented.

The guests were excused from the meeting at the conclusion of their presentations.

President's Report and Outlook for 1974 - G.P. Smith

Mr. Smith presented an overview confining his remarks primarily to the manufacturing operations. He reviewed the turn-around in 1972 and earnings pickup from \$.07 in 1971 to \$.37 in 1972 to an expected \$.59 in 1973. He described the major achievements resulting in dramatic results in 1973. He went on to point out that the management group is well committed to the original 1974 plan of \$.80 despite the dramatic adverse factors which are appearing on the business horizon. He commended the management group for their courage in holding to the original plan. A general discussion of the business outlook took place. In connection with the outlook, the Bastian-Blessing Division sale status was reviewed. It was decided that Mr. Smith should send Sunbeam a letter terminating discussions.

Mr. Smith commented that the most severe problem facing the company in the immediate future is the cash situation. He recommended that the creation of an audit committee be discussed at the next meeting of the Board. He reported on the work of Ruder & Finn in connection with the annual report.

Mr. D.L. Brenner joined the meeting at this point.

The meeting was recessed for lunch at 12:10 p.m. and reconvened at 12:40 p.m.

Personnel Matters - R.H. Watson

Mr. Watson presented a proposal for the establishment of non-corporate division titles. There was a general discussion of the subject. Mr. Sloma stated that the use of such titles by division personnel will enhance and facilitate conduct of the divisions' affairs. Mr. Sloma was authorized to tell the division general managers of their new titles and to discuss with them potential divisional vice president candidates. He is to counsel with Mr. Smith for approval and announcements of appointments are to follow from Mr. Smith.

LS 002341

There was a general discussion regarding the appropriate time for salary review. It was the consensus of the committee that the anniversary date for officers was more appropriate than an arbitrary date, at which time all officers would be reviewed.

Mr. Watson gave a preliminary report on the status of year-end bonuses. As to the cash bonus, except for the Bastian-Blessing Division, all other groups will qualify. He reported on a favorable article which appeared in the Wall Street Journal regarding the Forum 64 program. The Voluntary Investment Plan (VIP) has received 200 enrollments, of which approximately 175 were at RegO.

Legal Matters - J.M. Stogin

Mr. Stogin reported that the work necessary for changing registrar and transfer agent functions to the American National Bank was proceeding. He also reported on the status of the Alsip Revenue Bonds. The project is nearing the point of filing the Complaint with the court. The tax referendum for the State of Washington providing for a State income tax was defeated in early November. As a consequence, Golvest, the company's subsidiary, will not be subject to a State income tax in Washington.

Westgate-California Corporation reported the purchase of 20,000 additional shares of Golconda common stock during May and June. Mr. Stogin commented that the proxy material for 1974 will be delayed as a result of not having a slate of directors ready at this time. Until the slate is named, completion of the proxy material is not possible. Some reservation was expressed as to whether or not the annual meeting date of March 28th, established by the Board last year, can be met. Mr. Stogin went on to describe various instances in which the lack of definitive case law in the State of Idaho, the company's State of incorporation, has created a problem. He described the possibility of presenting to the shareholders at the annual meeting, a proposal that the State of incorporation be changed to Delaware. After discussion he was instructed by the committee to prepare comments and recommendations on this matter for consideration at the next meeting of the Board.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson reported that the Alice drift is on schedule and that Wray Featherstone has been on the site checking out progress. He went on to report on the strong market as well as steady metals prices. Mining equities are quiet at the present time with no unusual interests.

LS 002342

American Stock Exchange Listing - G.P. Smith

Mr. Smith stated that he has been in touch with representatives of the American Stock Exchange and that they have reopened our file. A general discussion ensued.

Financial Requirements and Planning - G.P. Smith

Mr. Smith commented at length on the company's cash needs. After complete discussion, Mr. Smith was authorized to check out the possible sale of a block of Hecla stock and to confer with Mr. Magnuson and Mr. Dunn as to disposition of the block. Mr. Magnuson commented on the possibility of obtaining long term debt financing for the Golconda Mining Division.

Stock Dividend - D.W. Adams

Mr. Adams read to the members a memorandum prepared by Dennis Anderson relating to a possible stock dividend on the common shares. There was a general discussion on the matters raised in the memorandum and it was decided to present the matter at the December meeting. Mr. Adams was requested to send copies of Anderson's memo to all members of the Board.

Meeting Dates

After discussion of the problems posed by travel conditions between Christmas and New Years, Messrs. D.L. Brenner, R.M. Dunn, and H.F. Magnuson urged that the dates be changed and the next meetings be held in San Francisco. Pursuant thereto, the meeting dates were changed as follows:

Executive Committee Meeting - Thursday, January 3, 1974
9:00 a.m.

Board of Directors Meeting - Friday, January 4, 1974
9:00 a.m.

Both meetings are to be held in San Francisco. Mr. Stogin was instructed to issue the necessary notices and make the appropriate facility arrangements.

The Committee went into executive session at 2:20 p.m. Messrs. Adams, Stogin and Watson were not present. The meeting adjourned at 2:53 p.m.

APPROVED:

Chairman



Secretary

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Thursday, January 3, 1974 at 9:00 A.M. at the Stanford Court Hotel in San Francisco, California. The following members were present:

Gordon P. Smith
Harry F. Magnuson
Richard S. Sloma
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

Mr. Ray M. Dunn was absent.

The Chairman, Mr. Gordon Paul Smith, called the meeting to order at 9:00 A.M. The minutes of the November 28, 1973 meeting of the Executive Committee, as previously submitted, were unanimously approved upon motion by Mr. H.F. Magnuson and seconded by Mr. R.S. Sloma.

Report on Fiscal Year 1973 Results and Outlook for 1974 - G.P. Smith

Mr. Smith reported that the draft copy of the annual report was to be delivered to the Committee today. Mr. Adams distributed the financial data and notes which are to be a part of the annual report. Mr. Stogin recommended that the earnings information be released to the public immediately. Mr. Adams concurred in this recommendation. The Committee authorized the release of the figures after immediate review by the Committee. Mr. Adams then proceeded to review, for the benefit of the Committee, the other data to be contained in the annual report. Among the items highlighted was the dramatic growth between 1972 and 1973; the revised earnings per share calculation; the decrease in accounts payable to vendors; the revision of \$700,000 in debt to the long term category; and the deferred income tax resulting from the Hecla sales. The Committee commended Mr. Adams for the early completion of the annual audit.

Mr. Smith went on to recap the results highlighting, among other things; expense reduction at the corporate level; addition of Anderson and M & M; and, the start up of Golconda Metals. He pointed out very strong rates of return achieved on the monies invested in approved projects.

LS 002344

Manufacturing Operations - R.S. Sloma

Mr. Adams distributed the report containing the results for November. There were numerous questions and substantial discussions with respect to the month of November and the year-end figures. The inventory reserves were reviewed. Confidence was expressed by Mr. Adams in the inventory control now at Grand Haven. Mr. Adams next reviewed the December mid-month forecast and the forecast for the first quarter of fiscal 1974. He pointed out that there is a need for \$2,117,000 of cash in the first quarter. State Mutual has approved an extension of the \$1 million additional borrowing.

Mr. Sloma distributed the mid-month forecasts for each of the divisions and reviewed them in turn.

Golconda Metals - Shipments have been held back because of delays in equipment. It was requested by the Committee that backlog data be added to the Golconda Metals report. There was a discussion of the recovery for Golconda Metals shipments for the balance of 1974.

Pioneer Astro - Order intake for 1973 totaled \$5,004,000 compared to \$2,563,000 in 1972. The first quarter of 1974 should show a \$25,000 profit vs. a \$25,000 loss last year.

Anderson - The situation is well managed and no major problems exist.

Bastian-Blessing - There was a discussion of the first quarter outlook and the impact of McDonald's.

International - International should be on plan for the first quarter.

RDC - Sales were off \$150,000 in December and profits reflected this. It is expected that the first quarter will catch up to plan. Order intake was good and holding firm.

RegO - Sales in December will be \$700,000 below plan and profits \$150,000 below plan. This reflects low materials receipts and the inability to ship due to material shortages. The backlog is the largest in history.

Mr. Sloma described the first quarter recovery program to recoup and exceed the December shortfall. Direct labor will be increased 150 people and the approach to solving the material input problem was described. There was a a general discussion with all members participating.

LS 002345

Mr. Sloma presented the program for the establishment of RegO Benelux. After discussion the Committee authorized the expenditure of \$54,000 in connection with the establishment of RegO Benelux.

An acquisition proposal for the Bastian-Blessing Division was submitted to the members by Mr. Sloma. Mr. Stogin was requested to mail a copy to Mr. Dunn. After brief discussion it was decided that the proposal should be reviewed in full at the next meeting of the Executive Committee.

Mr. Sloma next distributed to the members program "76/100" for later review after the members have an opportunity to study its contents. Mr. Stogin was requested to send a copy to Mr. Dunn.

The possibility of acquiring additional land in Alsip, Illinois was presented by Mr. Sloma. After brief discussion it was deferred for full discussion to the next meeting of the Executive Committee.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson reported that metal prices continued strong and he offered his comments on the favorable outlook. Mr. Smith inquired as to price increases in mining securities owned by the company. Mr. Magnuson replied that the interest in silver has generated additional interest in some of the silver mining securities owned by the company.

Legal - J.M. Stogin

Mr. Stogin reported on the status of the Alsip Revenue Bond financing. In connection with the Harmsen law suit, he read to the members a letter which has been sent to the counsel for Harmsen. The change of transfer agent and registrar will become effective at the close of business on January 15, 1974 and resolutions will be presented to the Board tomorrow.

He reported that re-incorporation in Delaware would substantially increase the amount of franchise tax payable by the company and that for the time being consideration of incorporation in Delaware was being shelved. Mr. Stogin pointed out that the time was approaching when various matters relating to the annual meeting and proxy solicitation should be resolved. This will be presented to the Board at tomorrow's meeting.

LS 002346

Personnel - R.H. Watson

Mr. Watson recapped personnel activity for 1973 highlighting activity at the Bastian-Blessing Division where the company survived two strikes, and entered into two new contracts. He reported also that in 1973 the AIM abandoned its attempts to organize the RegO Division. 1973 also saw the development of a stronger management team. In looking forward to 1974, there is only one union contract due and that is for the Bastian-Blessing draftsmen. The policy will be to continue the growth of employees in the company. Fringe benefits will be reviewed with a view to improve them. A personnel man will be recruited for the Alsip complex. Mr. Watson went on to describe the establishment of divisional officers in 1974 pointing out that they were divisional and not corporate officer titles.

Meeting Dates

It was pointed out by one of the members that the next meeting of the Executive Committee was scheduled for January 23rd and that this appeared to be too soon after the present meeting and too early for financial reports to be available. It was agreed that the next meeting of the Executive Committee will be held on Wednesday, January 30, 1974 at 9:00 A.M. at the corporate offices in Chicago.

There being no further business to come before the Committee, the meeting was adjourned at 1:35 P.M.


Secretary

APPROVED:

Chairman

LS 002347

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, January 30, 1974 at the corporate offices in Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
Herbert Kunzel
Harry F. Magnuson
Richard S. Sloma
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

The Chairman, Mr. Gordon Paul Smith, called the meeting to order at 9:45 A.M. The minutes of the January 3, 1974 meeting of the Executive Committee, as previously submitted, were unanimously approved upon motion by Mr. H.F. Magnuson and second by Mr. R.M. Dunn.

Corporate Financial Matters - D.W. Adams

Mr. Adams presented the December financial statements and reported on the December loss from operations. The division presidents joined the meeting at this point.

R.R. Del Presto
P.G. Plotica

J.W. Hasselbring
N.H. Tiffen

D.R. Keller
D.V. Ytterberg

Interest expense was ahead of last year due to the higher interest rates being paid on borrowings. The gain on the sale of Hecla shares offset the loss from operations resulting in a profit in total. There were questions and discussions relating to the nature of the loss which was explained by Mr. Sloma and Mr. Adams. Mr. Sloma read the management report letter to the members.

Report on Operations

Each division president distributed his mid-month forecast for the month of January.

LS 002348

RegO Division - R.S. Sloma

The RegO forecast was reviewed indicating the first quarter below plan in profit but the month of March ahead of plan. Mr. Sloma distributed the CRIMP program and reviewed its contents with the members. Mr. Sloma replied to Mr. Kunzel's inquiry regarding the increase in inventory despite lower RegO input. Mr. Sloma went on to describe action being taken with respect to pricing.

RegO Distribution Center - N.H. Tiffen

Mr. Tiffen pointed out that the results reflect a lack of shipments from RegO and that there is no order intake problem. He commented that propane was in good supply.

Golconda Metals Division - D.R. Keller

Mr. Keller reported that the division was a "red flag" in the first quarter. Forgings are being made but brite dipping is still on a manual basis at this time. Automatic operations are not yet functional. Interest in the facility has been expressed by possible outside customers. He reported that forgings should be back to normal by March 1 and that die casting production starts tomorrow. He reported that the Illinois Environmental Production Agency has visited the plant and there are no problems evident. Backlog for the division is in excess of \$4 million.

International - P.G. Plotica

Sales are behind plan as was profit in December. January should be ahead. The shortfall in profit for the first quarter reflects startup costs for RegO Benelux. Mr. Plotica described the Benelux program.

Anderson Copper & Brass Division - D.V. Ytterberg

Mr. Ytterberg reported that December was ahead of plan in sales and profits and that a price increase was put into effect in December. He expressed confidence in his first quarter forecast.

Pioneer Astro Industries Division - J.W. Hasselbring

In response to Mr. Kunzel's inquiry, Mr. Hasselbring summarized the progress of the division. He then reported

LS 002349

that in December, loss was equal to plan but less than last year's plan. The erosion forecast for February is due to sales shortages and underabsorbed burden as a result of lack of people. First quarter profits should be ahead of last year but below plan. The second quarter should reflect a recovery based on the presently available backlog. Additional people are needed to increase the direct labor called for by the planned sales levels. Mr. Smith inquired as to the loss in pressure gauges. It was explained that this was a factor of the projects low efficiency and volume levels.

Bastian-Blessing Division - R.R. Del Presto

Mr. Del Presto reported the receipt of an order from McDonald's for approximately \$10 million representing 145 units. He went on to further discuss the sales and profit outlook.

The division presidents were excused from the meeting at this point.

Corporate Financial Matters (Continued)

Mr. Adams distributed comments regarding the January mid-month forecast. He pointed out that in the first quarter sales are forecast down but profits ahead of last year. Profits should be up in March. The cash forecast reveals negative balances at the end of February. The open order backlog margin analysis was reviewed for RegO. Sales for Bastian-Blessing, based on backlog available, indicated no action under the Profit Assurance Plan is to be taken. There were no special reserves established in December. Mr. Smith commented at length on the negative cash flow. This matter was discussed.

Personnel Matters - R.H. Watson

Mr. Watson presented certain pension changes needed to keep the company competitive in the labor market. Mr. Kunzel commented that in his opinion, Golconda was behind the industry in the pension area and that the changes were appropriate. Mr. Smith asked for approval of the proposed pension changes. There was discussion, after which Mr. Dunn moved and Mr. Magnuson seconded the changes in the pension plan as reflected in the resolution presented and attached to these minutes. After further discussion, the resolution was unanimously adopted and Mr. Smith was directed to seek telephone approval from the remaining members of the Board.

Mr. Kunzel left the meeting at this point.

LS 002350

Legal Matters - J.M. Stogin

Mr. Stogin reported on the status of the preparation of the annual report which will be mailed within the next two weeks. The need for proceeding with the proxy was presented. Mr. Stogin reported that no shares of Golconda have been traded on the Vancouver Stock Exchange in the last two or three years and he recommended that the company not renew its annual listing. Mr. Stogin was instructed to cancel the listing on the Vancouver Exchange. He reported the receipt from the Depository Trust Company of a proposed amendment to be recommended to the Idaho Legislature for the Uniform Commercial Code. This was discussed and referred to Mr. Magnuson.

Golconda Mining Activities - H.F. Magnuson

The Alice project continues and Mr. Magnuson reported continued increased interest in metals markets.

American Stock Exchange - G.P. Smith

Mr. Smith reported the latest developments with the American Stock Exchange listing and stated that the situation looked very favorable for proceeding with a long form application.

Financial Requirements and Planning - G.P. Smith

A report regarding the negative cash flow, reflected earlier in the meeting, was distributed. Mr. Smith described the factors involved and recapped the use of the Hecla proceeds. Mr. Magnuson suggested selling as little Hecla as possible with other financing and inventory reduction taking up the slack. Mr. Magnuson made a motion that the company sell not more than 50,000 shares in February or enough to yield \$1,300,000 of net proceeds and that management seek other sources of financing. This was seconded by Mr. Dunn and after discussion unanimously approved.

Other Matters

Puffer-Hubbard - R.S. Sloma

Mr. Sloma brought before the meeting the Puffer-Hubbard proposal, which was previously submitted, asking for a decision today. There was a lengthy discussion with Mr. Magnuson suggesting that an option be obtained and that the down payment be negotiated downward. Mr. Dunn made a motion which was seconded by Mr. Sloma:

"The Executive Committee authorizes Mr. Sloma to negotiate a purchase of the Puffer-Hubbard Division of the Challenge Company subject to Board approval and a minimum down payment."

LS 002351

After thorough discussion of the question, Mr. Magnuson stated that he would vote against this motion. After additional discussion, the question was moved by the Chair and the vote was taken and recorded as follows:

AYE: G.P. Smith
R.S. Sloma
R.M. Dunn

NAY: H.F. Magnuson

The motion was passed.

Alsip Real Estate - R.S. Sloma

Mr. Sloma presented again a recommendation for purchasing the land adjacent to the Golconda Metals facility. There was a discussion of the matter and Mr. Sloma was authorized to acquire the property for not in excess of \$180,000. A mortgage of not less than 70% was unanimously authorized to be negotiated with no prepayment penalty.

Mr. Sloma also presented a proposal regarding a possible acquisition of Rudolf Majert.

Annual Meeting

The place for the annual meeting is to be established at the February meeting of the Executive Committee.

There being no further business to come before the committee, the meeting was adjourned at 3:06 P.M.

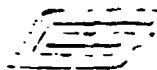


Secretary

APPROVED:

Chairman

LS 002352



J. M. STOGIN

Vice President, Corporate Counsel
and Secretary

February 22, 1974

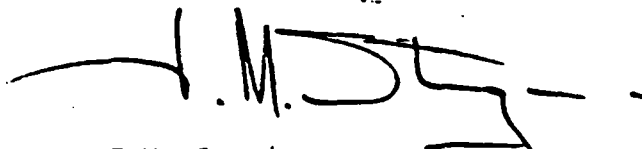
TO THE BOARD OF DIRECTORS
GOLCONDA CORPORATION

Gentlemen:

Pursuant to a call by the president, Gordon P. Smith, a special meeting of the board of directors of Golconda Corporation is hereby called for 9:00 A.M. Thursday, February 28, 1974 at the corporate office, 4201 West Peterson Avenue, Chicago, Illinois.

The purpose of the meeting is to consider and act upon the following:

1. To review the status of the agreement between Westgate-California Corporation and Cerro Corporation regarding Cerro's purchase of Westgate's holding of Golconda common stock (1,043,566 shares). At the present time, the agreement has not been finally closed, but is expected to be within the near future.
2. To discuss organizational matters affecting Golconda as a result of Cerro's ownership of the control block of Golconda common stock.
3. To review the status of Golconda's holdings of Hecla common stock and to decide whether any changes should be made in these holdings.
4. To review annual meeting and proxy matters.
5. To review such other matters which may properly come before the board.


J.M. Stogin
Vice President
Corporate Counsel
and Secretary

P.S. Executive Committee members are reminded that the regular meeting of the committee will be held at 9:00 A.M. February 27th.

LS 002353

GOLCONDA CORPORATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, MARCH 2, 1976

A regular meeting of the Board of Directors of Golconda Corporation was held on Tuesday, March 2, 1976 at 8:30 A.M. at 39 So. LaSalle Street, Chicago, Illinois 60603.

Eight of the Corporation's directors were present and one was absent.* Mr. Gordon P. Smith, Chairman of the Board, presided. Mr. Thomas L. Seifert, Secretary of the Corporation, recorded the minutes.

The Board approved the minutes of the December 8, 1975 meeting as written.

Report on Financial, Operating and Personnel Matters

Mr. J. R. Morrill reported on RegO and Mr. D. A. Gardiner reported on Anderson Copper and Brass and the liquidation of the Golconda Metals Division.

* * * * *

Mr. R. C. Gluth joined the meeting at this point.

* * * * *

Mr. Morrill distributed copies of the RegO Division's 1975 President's Report to Employees.

Resignation of John DeStefano

Mr. John DeStefano's resignation from the Board of Directors of Golconda Corporation was accepted, effective March 2, 1976.

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board and resolutions in the following form were adopted:

*Present: G. P. Smith, J. R. Morrill, D. A. Gardiner, R. M. Dunn, G. A. Jones, H. F. Magnuson, R. A. Pritzker and R. C. Gluth.
Absent: Wray Featherstone
Guests: T. L. Seifert, D. R. Nomura and C. B. Cranford.

RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is April 15, 1976 and payment date is May 6, 1976. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Coporation, and

FURTHER RESOLVED, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution.

* * * * *

Mr. R. A. Pritzker joined the meeting at this point.

* * * * *

Annual Meeting

The record date for the annual meeting will be April 30, 1976 and the meeting will be held on Friday, June 18, 1976 at the RegO Division, 4201 W. Peterson Avenue, Chicago, Illinois 60646.

Golconda vs. Arnsteen

Mr. Seifert reported that suit has been filed and the summons and complaint have been served against H. Arnsteen, Inc. and Harold Arnsteen, personally, with respect to the default on the Pioneer Astro Industries, Inc. lease and on the payment of accounts payable assigned to Arnsteen. The return date for answers to both complaints is March 10, 1976.

Mr. Seifert also reported that, thus far, the firm of Bennett & Kahnweiler has been unable to obtain a new tenant to sub-lease the premises for the eighteen months remaining on the lease. Mr. G. A. Jones and Mr. T. L. Seifert were designated to hold discussions with Mr. Robert Kepen, the beneficiary of the land trust which owns the real estate involved, to make a settlement offer regarding the remaining term of the lease.

LS 002457

Amendment of Bylaws

It was proposed that the Bylaws be amended to decrease the size of the Board of Directors from eleven to nine, and after a discussion of the matter, the following amendment to Article III, Section 1 of the Bylaws was adopted:

RESOLVED, The number of directors which shall constitute the whole board shall be nine. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Tender Offer for Golconda Stock

There was a general discussion regarding the repurchase by the Corporation of its 7% convertible subordinated debentures, its \$1.00 cumulative convertible preferred stock, and its common stock, both in the open market and by direct solicitation of the security holders by brokers. After the discussion, the following resolution was adopted:

RESOLVED, That the President, any Vice President, or the Treasurer of the Corporation are, and each of them hereby is, authorized and directed to purchase the debentures, the preferred stock and the common stock of this Corporation, and to enter into such arrangements with such broker dealers as they deem necessary for the purchase of said debentures, preferred stock and common stock at such prices and under such terms and conditions as said officer(s) may deem appropriate from time to time, and

FURTHER RESOLVED, That the President, any Vice President, or the Treasurer of the Corporation be, and they hereby are, authorized and directed to take such further action and execute and deliver such documentation as they in their discretion may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof.

LS 002458

Sale of Bastian-Blessing to Page-Mill

Mr. Seifert reported that the final closing of the sale of the Bastian-Blessing Division to Page-Mill International Corp. had been deferred on several occasions. Mr. R. C. Gluth was designated to contact Mr. Daniel Sullivan of Page-Mill in order to expediate the closing.

Debenture Purchases

Mr. David R. Nomura, Treasurer, reported on the purchase of Golconda debentures.

Golconda Mill & Golconda Mining

Mr. Wray Featherstone was absent from the meeting; therefore, no report on these subjects was presented.

The sale of the Golconda Mining Corporation stock, including the mining stocks and the mill, was discussed and the following resolutions were adopted:

RESOLVED, That the President, any Vice President or the Treasurer of the Corporation are, and each of them hereby is, authorized and directed to sell the mining stocks and the mill at such prices which they deem appropriate, and

FURTHER RESOLVED, That the President, any Vice President or the Treasurer of this Corporation be, and they hereby are, authorized and directed to take such further action and execute and deliver such documentation as they in their discretion may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof.

PAI Metallics

A brief discussion was held regarding PAI Metallics and Mr. Seifert was directed to ascertain the status of the matter with Mr. F. Culhane, who has been authorized to sell the property involved for whatever price he can obtain.

LS 002459

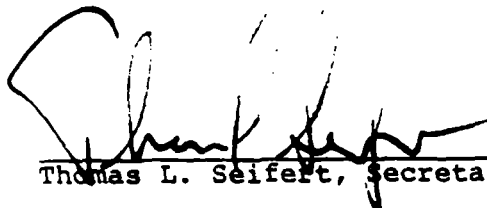
Possible Acquisition of Wright, Bindley & Gell

Mr. G. A. Jones briefly discussed the possible acquisition of Wright, Bindley & Gell, and stated that he was awaiting 1975 year-end financial reports before any further action would be taken.

Next Meeting

The next meeting of the Board of Directors of Golconda Corporation is scheduled to be held immediately after the Annual Meeting of Stockholders on Friday, June 18, 1976.

There being no further business to come before the meeting, it was adjourned at 10:30 A.M.



Thomas L. Seifert, Secretary

TLS:cd

LS 002460

GOLCONDA CORPORATION
MEETING OF THE BOARD OF DIRECTORS
FRIDAY, JUNE 18, 1976

A meeting of the Board of Directors of Golconda Corporation was held on Friday, June 18, 1976, immediately following the Annual Meeting of Shareholders at the RegO Division, 4201 W. Peterson Avenue, Chicago, Illinois 60646.

Six of the Corporation's directors were present and two were absent.* Mr. Gordon Paul Smith, Chairman of the Board, presided. Mr. Thomas L. Seifert, Secretary of the Corporation, recorded the minutes.

The Board approved the minutes of the March 2, 1976 meeting.

* * * * *

Report on Financial and Operating Matters

Mr. John R. Morrill reported on RegO and Anderson Copper and Brass.

Personnel Matters

The following officers were elected to serve until the next Annual Meeting of Shareholders:

Gordon Paul Smith.....	Chairman
John R. Morrill.....	President & Chief Executive Officer
Charles B. Cranford.....	Vice President-Controller and Assistant Secretary
Robert C. Gluth.....	Vice President
Donald V. Ytterberg.....	Vice President
David R. Nomura.....	Treasurer
Thomas L. Seifert.....	Secretary

*Present: G. P. Smith, J. R. Morrill, R. M. Dunn, G. A. Jones, H. F. Magnuson and W. Featherstone.

Absent: R. A. Pritzker and R. C. Gluth

Guests: T. L. Seifert, D. R. Nomura and C. B. Cranford

Establishment of Committees

The following committees were established:

(a) Executive Committee

George A. Jones
Robert C. Gluth
John R. Morrill

(b) Audit Committee

Ray M. Dunn
Robert C. Gluth
Harry F. Magnuson

(c) Pension Committee (Not a committee of the Board)

John R. Morrill
Frederick J. Manning
Thomas F. McGrath

Resignation of David A. Gardiner

Mr. Gardiner's resignation from the Board of Directors was accepted, effective April 26, 1976.

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board and resolutions in the following form were adopted:

RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is July 15, 1976 and payment date is August 6, 1976. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

FURTHER RESOLVED, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution.

LS 002462

Golconda v. Arnsteen

There was a brief discussion of Golconda's suit against Arnsteen, and it was reported that when Arnsteen filed its Answer, it also filed a Counterclaim against Golconda and several other defendants. It was further reported that there appeared to be no meritorious basis for the Counterclaim. It was further reported that the litigation is still in the preliminary stages and that final disposition of the matter would take substantial time.

Lease of PAI Building

Mr. George A. Jones reported on his meeting with Mr. Robert Kepen, one of the owners of the 7401 W. Lawrence Avenue property, stating that he offered a lump sum settlement of \$75,000 in return for a complete release from Golconda's obligations pursuant to the lease, but that the offer has been rejected.

Amendment of Bylaws

It was proposed that the Bylaws of Golconda Corporation be amended to decrease the size of the Board of Directors from nine to eight, and after a discussion of the matter, the following amendment to Article III, Section 1 of the Bylaws was adopted:

RESOLVED, That the number of directors which shall constitute the whole board shall be eight. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 2 of this Article, and each director shall hold office until his successor is elected and qualified. Directors need not be stockholders.

LS 002463

Repurchase of Golconda Preferred
and Common Stock and Debentures

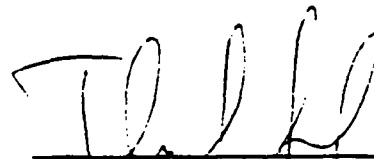
There was a brief discussion of the securities repurchase program, and it was reported that small amounts of all the securities had been repurchased at prices favorable to the company.

Golconda Mill and Golconda Mining

Mr. Wray Featherstone reported that there had been no success in selling the Golconda Mill or the Golconda Mining stocks.

Next Meeting

The next meeting of the Golconda Board of Directors is scheduled to be held on Friday, September 17, 1976, at 39 So. LaSalle Street, Chicago, Illinois 60603, at 9:00 A.M.



Thomas L. Seifert, Secretary

TLS:cd

LS 002464

GOLCONDA CORPORATION
MEETING OF THE BOARD OF DIRECTORS
FRIDAY, SEPTEMBER 17, 1976

A meeting of the Board of Directors of Golconda Corporation was held on Friday, September 17, 1976, at 8:30 A.M. at the corporate office, 39 S. LaSalle Street, Chicago, Illinois 60603.

Five of the Corporation's directors were present and three were absent.* Mr. Gordon Paul Smith, Chairman of the Board, presided. Mr. Thomas L. Seifert, Secretary of the Corporation, recorded the minutes.

The Board approved the minutes of the June 18, 1976 Annual Shareholders' Meeting and Board of Directors meeting.

* * * * *

Report on Financial, Operating & Personnel Matters

Mr. John R. Morrill reported on the RegO and Anderson Copper and Brass Divisions.

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board and the following resolutions were adopted:

RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is October 15, 1976 and payment date is November 5, 1976. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

*Present: G. P. Smith, J. R. Morrill, G. A. Jones, H. F. Magnuson and W. Featherstone.

Absent: R. A. Pritzker, R. C. Gluth and R. M. Dunn.

Guests: T. L. Seifert, D. R. Nomura and C. B. Cranford.

FURTHER RESOLVED, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution.

Cash Merger--Wholly-Owned Subsidiary
of Cerro-Marmon Corporation

There was a report to the Board on the proposed merger between Golconda Corporation and a wholly-owned subsidiary of Cerro-Marmon Corporation. It was the consensus of the Board that a committee be formed to consist of certain members of the Golconda Board of Directors and certain stockholders of the Corporation.

After discussion, upon motion being duly made and seconded, it was unanimously

RESOLVED, That a Committee to consist of certain members of this Board and certain stockholders of this Corporation be, and it hereby is, appointed to negotiate the terms of a proposed merger between this Corporation and RegO Company, that would be fair to all the stockholders and to report its recommendations to this Board;

FURTHER RESOLVED, That Messrs. Harry F. Magnuson, Ray M. Dunn, members of this Board, one Preferred Stockholder, one Common Stockholder, to be selected by the aforementioned Board members, be, and each of them hereby is, appointed to membership of such Committee;

FURTHER RESOLVED, That such Committee be, and it hereby is, authorized to appoint one additional member from among the stockholders of this Corporation;

LS 002466

FURTHER RESOLVED, That such Committee be, and it hereby is, authorized to retain legal counsel, at the Corporation's expense, to advise the individual members of this Committee as to their rights, duties and obligations, with respect to their service on the Committee, and any other matters relating to the merger that may be requested by a member of the Committee;

FURTHER RESOLVED, That such Committee be, and it hereby is, authorized to retain at the expense of the Corporation an investment advisor to advise the Committee on the fairness of the terms of the proposed merger, the amount of such expense and the terms of such agreement to be approved by the Committee and the proper officers of the Corporation; and

FURTHER RESOLVED, That the Corporation indemnify and hold harmless the members of such Committee from and against any and all losses, claims, damages and liabilities (including all legal or other expenses reasonably incurred in connection with the investigation and defense of any legal actions) which result from their service on such Committee in accordance with the aforesaid resolutions.

Approval of Sale of Golconda Mining
Securities to Harry F. Magnuson

There was a thorough discussion of the attempts over the past several years to sell the Golconda mining securities, the Golconda mill and associated real estate. There was a recitation of attempts made by Wray Featherstone, D. R. Nomura, F. J. Manning and G. A. Jones over the past several years concerning the attempts to sell the aforementioned assets. It was stated that the best offer made with respect to the purchase of said assets was \$175,000, and that Mr. Magnuson had agreed to meet that offer in order to purchase the aforementioned assets. Accordingly, the following resolutions were adopted:

LS 002467

RESOLVED, That the assets of Golconda Mining Corporation listed on the schedule attached hereto as Exhibit A be sold to Harry F. Magnuson for the purchase price of One Hundred Seventy-Five Thousand Dollars (\$175,000) cash, payable at Closing to Golconda Corporation or a corporation to be named by Golconda Corporation; and

FURTHER RESOLVED, That each of the proper officers of this Corporation be, and they hereby are, authorized and directed to negotiate, execute and deliver agreements and documents and to take such further action as they, in their discretion, may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof.

Sale of Rogers Avenue Property

After a thorough discussion of this subject, the following resolutions were adopted:

RESOLVED, That the proper officers and directors of this Corporation be, and they hereby are, authorized and directed to sell the Rogers Avenue property, upon such terms and conditions as such officers and directors deem advisable; and

FURTHER RESOLVED, That each of the proper officers of this Corporation be, and they hereby are, authorized and directed to negotiate, execute and deliver agreements and documents and to take such further action as they, in their discretion, may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof.

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Sale of Golconda Metals Division Plant

After a thorough discussion of this subject, the following resolutions were adopted:

RESOLVED, That the proper officers and directors of this Corporation be, and they hereby are, authorized and directed to sell the Golconda Metals Division plant in Alsip, Illinois, upon such terms and conditions as such officers and directors deem advisable; and

FURTHER RESOLVED, That each of the proper officers of this corporation be, and they hereby are, authorized and directed to negotiate, execute and deliver agreements and documents and to take such further action as they, in their discretion, may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof.

Inventory Write-Down

There was an explanation to the Board regarding the write-down of the RegO inventory in the amount of \$1.2 million.

Approval of Revised Bank
and Pension Resolutions

After a thorough discussion of this subject, the following resolutions were adopted:

RESOLVED, That Robert A. Pritzker, Director of this Corporation, or Robert C. Gluth, Vice President of this Corporation, be, and each of them individually is, authorized and empowered from time to time to open and close such bank accounts of this Corporation (or any of its subsidiaries as certified by the Secretary or Assistant Secretary of this Corporation) as in either of their opinions may be necessary or convenient, with banks or trust companies, and to designate from time to time the persons (whose names are certified by the Secretary or Assistant Secretary of this Corporation)

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authorized to sign checks, drafts, and other similar bank instruments for this Corporation or said subsidiaries and to furnish to the banks such authorization or authorizations as they may deem necessary to accomplish said purpose; and

FURTHER RESOLVED, That the standard form of corporate banking resolutions used by such banks or trust companies for opening corporate bank accounts be, and it hereby is, adopted and that a copy thereof, as certified to such bank or trust company by the Secretary or Assistant Secretary of this Corporation, be filed with the corporate records; and

FURTHER RESOLVED, That Robert A. Pritzker, Director of this Corporation, or Robert C. Gluth, Vice President of this Corporation, be, and each of them individually is, authorized and empowered from time to time, with respect to this Corporation (or any of its subsidiaries as certified by the Secretary or Assistant Secretary of this Corporation), to take any and all requisite actions as in either of their opinions may be necessary or convenient, to adopt new, revised, or amended and restated pension, retirement, or welfare plans or trust agreements; to qualify any or all such plans or trusts with the Internal Revenue Service; to appoint and replace members of retirement committees, trustees, and other agents and named fiduciaries of plans and trusts (which names of said members, trustees, agents and fiduciaries are certified by the Secretary or Assistant Secretary of this Corporation); and to take any other action or to refrain from any action as may be required to effectuate the purposes of providing such benefits for the employees of the Corporation (or any of its said subsidiaries).

Lease of Pioneer Astro
Building--Status Report

Mr. Thomas L. Seifert reported that no progress had been made with respect to the lease or sale of the Pioneer Astro building.

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Golconda Corporation
Board of Directors Meeting
Minutes - September 17, 1976
Page 7

Golconda v. Arnsteen--
Status Report

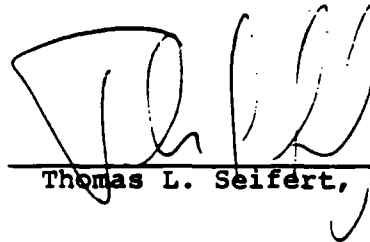
Mr. Seifert reported on the status of the Golconda v. Arnsteen lawsuit.

Next Meeting

The next Board of Directors meeting is scheduled for Friday, January 14, 1977 at 8:30 A.M. at the corporate office, 39 S. LaSalle Street, Chicago, Illinois 60603.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:00 A.M.



Thomas L. Seifert, Secretary

TLS:cd
Att.

LS 002471

Golconda Corporation
Board of Directors Meeting
Minutes - September 17, 1976
Attachment

EXHIBIT A

GOLCONDA MINING CORPORATION
Scott Building
Wallace, Idaho

SCHEDULE OF ASSETS
FOR WHICH OFFERS OR BIDS ARE SOLICITED
March 31, 1976

1. Golconda Mining Corporation--Mining Property:

The property consists of approximately 90 acres of patented land with mineral rights, a 50 percent interest in approximately 30 acres of patented mining claims, 66 patented mining claims totaling approximately 1,003 acres and 25 unpatented mining claims totaling approximately 400 acres. This contiguous group is located in the Lelande and Hunter Mining Districts, Shoshone County, Idaho. Property maps may be inspected at the office of Golconda Mining Corporation, Scott Building, Wallace, Idaho by appointment.

2. Golconda Mill:

This consists of a 200-ton lead-zinc flotation mill. Arrangements to inspect the mill can be made by calling D. L. Hess at (208) 752-1131, Wallace, Idaho or Wray Featherstone at (208) 772-3556, Hayden Lake, Idaho. The purchaser would be expected to remove all machinery and equipment and dismantle the mill building within a reasonable length of time unless such purchaser also acquires the land on which the mill is located.

3. Interest in Alice Consolidated Mines, Inc.:

Golconda Mining Corporation owns 4,308,020 shares of Alice Consolidated Mines, Inc., or 53.65 percent of the outstanding capital stock. The Alice Consolidated property lies to the east of the Golconda Mining Corporation property. The Alice Consolidated property consists of a 90 percent mineral right interest in approximately 145 acres of patented land, 32 patented mining claims aggregating approximately 533 acres and 43 unpatented claims aggregating approximately 482 acres. Property maps may be inspected at the office of Golconda Mining Corporation, Scott Building, Wallace, Idaho by appointment. It is the desire of Golconda to sell this capital stock interest consisting of 4,308,020 shares of Alice Consolidated Mines, Inc.

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4. Interest in companies owning properties
in the Golconda Area:

Golconda Mining Corporation holds substantial stock interests in several corporations owning properties near or adjacent to the Golconda property. These interests are set forth as follows:

<u>Corporation</u>	<u>Shares Owned By Golconda</u>	<u>Percentage of Outstanding Capital Stock</u>
Bell Mining Company	203,000	40.64%
Black Bear Mines Company	880,371	68.73
Granada Lead Mines, Inc.	755,442	31.02
Great Eastern Mining Co., Ltd.	100,000	12.83
Ivanhoe Mining Company	358,000	23.93
Mullan Metals, Inc.	426,512	42.7
Square Deal Mining & Milling Co.	997,459	54.33
Wallace Mining Company	254,025	52.19

Square Deal also owns 349,600 shares (4.35%) of the outstanding shares of Alice Consolidated Mines, Inc. It is the desire of Golconda Mining Corporation to sell the capital stock interests in the various mining corporations either separately or as a unit. Additional information regarding these various corporations and/or the mining properties held by these corporations will be provided upon request.

5. Miscellaneous Securities:

Golconda Mining Corporation wishes to sell miscellaneous securities in various corporations set forth as follows:

<u>Corporation</u>	<u>Shares Owned by Golconda</u>
Aberdeen-Idaho Mining Company	13,000
Abot Mining Company	27,502
Bullion Mining Company	157,902
Coeur d'Alene Syndicate	318
East Coeur d'Alene Silver Mines, Inc.	100,000
Hunter Creek Mining Company	6,500
Idaho-Montana Silver Mines, Inc. (Uranium Mines, Inc.)	253,834
Metropolitan Mines Corporation, Ltd.	88,500
Silver Bowl, Inc.	36,500
Silver Buckle Mines, Inc.	211,750
Vindicator Silver-Lead Mines Co.	148,500
Yreka-United, Inc.	95,500
Silver Eureka Corporation	5,700

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All of these corporations except Silver Eureka Corporation hold property which is situated in the Coeur d'Alene Mining District.

It is the desire of Golconda Mining Corporation to sell these stocks separately or as a group.

Additional information regarding these various corporations and/or the mining properties held by these corporations will be provided upon request.

ACCOUNTS RECEIVABLE

April 30, 1976

(Prepared from the records without audit)

AFFILIATED

Square Deal Mining & Milling Co.	\$16,192.77
Wallace Mining Company	109.94
Idaho-Montana Silver Mines, Inc.	5,100.00
Granada Lead Mines, Inc.	800.00
Alice Consolidated Mines, Inc.	1,500.00
Ivanhoe Mining Company	300.00
Total	<u>\$24,002.71</u>

LS 002474

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

Pursuant to a call by the President, Gordon Paul Smith, a notice of a special meeting of the Board of Directors of Golconda Corporation was issued for 9:00 A.M. Thursday, February 28, 1974 at the corporate offices at 4201 West Peterson Avenue, Chicago, Illinois. A copy of the notice containing the purposes of the meeting is attached. The following members were present:

Gordon P. Smith
Daniel L. Brenner
R.M. Dunn
W. Featherstone
H. Kunzel
H.F. Magnuson
A.D. Martin
R.S. Sloma
W.L. Sly
John M. Stogin, ex-officio

Absent: H.R. Land, Jr.

A quorum being present, the meeting was called to order at 9:02 A.M. by the Chairman, Gordon P. Smith. The minutes of the meeting of January 4, 1974 having been previously mailed to the directors were moved for approval by Mr. Martin, seconded by Mr. Featherstone and unanimously adopted as submitted.

Mr. Smith generally described the matters to be considered at today's meeting. He called upon Mr. Kunzel to update the members on the status of the agreement between Westgate-California Corporation and Cerro Corporation for the sale to Cerro of Westgate's shares of Golconda common. Mr. Kunzel reminded the members of his statement at the January 4th meeting of the Board wherein he discussed Westgate's need for cash and the possible sale by Westgate of its holdings of Golconda common. He described the factors relative to Westgate in arriving at their decision and commented about the prospective purchasers. The Cerro agreement was entered into and has been approved by the court. Discussions have taken place with the FDIC and IRS relative to their interest in that agreement. The original closing date of February 28, 1974 has been extended to March 15th. The closing is conditioned upon the sale by Golconda of its block of Hecla or the value of Hecla remaining above a certain per share market price. That price was not disclosed.

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Mr. Kunzel went on to state that other offers have been made in addition to the Cerro offer. Mr. Smith requested Mr. Kunzel to comment on the effect of Westgate's recent filing of Chapter 10 proceedings. Mr. Kunzel responded that the proceedings were filed on Tuesday last and that the same Judge, Nielsen, is handling this matter as handled the S.E.C. proceedings. Mr. K.J. Trone, Jr. has been named Trustee with Mr. Kunzel as associate Trustee. Mr. Trone and Judge Nielsen have agreed to the Cerro transaction.

The likelihood of the consummation of the Cerro agreement was discussed. It was pointed out that Cerro would seek Board representation if the deal is closed. Mr. Kunzel stated that if the deal does not close, Westgate will seek a majority of the seats on the Board.

At this point Mr. Smith raised the matter of the annual meeting date. He pointed out that this had been discussed at the Executive Committee meeting yesterday and that the time was drawing short for the filing of the proxy material in time to hold the shareholders meeting on April 19th. After discussion, Mr. Magnuson offered the following resolution which was seconded by Mr. Dunn:

"RESOLVED, that the annual meeting of shareholders of Golconda Corporation shall be held on April 19th upon the condition that Cerro completes its purchase of Westgate's holdings of Golconda common shares on or before March 11, 1974. Should Cerro not complete its purchase on or about March 11th, the annual meeting date shall be May 7, 1974."

The resolution was unanimously adopted except for the abstention of Mr. Kunzel.

The place of the annual meeting was next discussed and it was moved by Mr. Magnuson, seconded by Mr. Featherstone and unanimously agreed that the annual meeting be held in San Francisco, California.

The meeting next proceeded to a review of the status of Golconda's holdings of Hecla common stock. Mr. Smith made an opening statement that in the consideration of the Board's decision with respect to the sale or retention of any or all of the company's holdings of Hecla, no effect should be given to Cerro's expressed attitudes or desires regarding the Hecla shares. He stated that, with all due respect to Cerro and the possible transfer of the block of Golconda, the decision should be made on the basis of the best interests of all Golconda shareholders.

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Mr. Brenner inquired as to the specific question before the Board. Mr. Smith replied that the issue is whether or not the block should be sold. Mr. Brenner commented that his interests were solely those of Golconda. He stated that he had heard of offers to Westgate for Golconda's stock in excess of Cerro's offer. Mr. Kunzel commented on only two other possible offers, neither of which was as firm as that of Cerro.

Mr. Brenner commented on the attitudes expressed by New York firms regarding the outlook for silver and gold. He stated it was his position that the company should not sell the block if the funds are not needed. Enough should be sold however to meet those dollar requirements.

Mr. Smith at this point recapped the events since the January 27, 1972 Board meeting with respect to the Board's action concerning the sale of Hecla to produce earnings through acquisitions. He quoted from each of the meetings of the Board held since that time. An exhibit was distributed detailing the summary of the Hecla cash flow from 12/1/71 to 2/25/74. Mr. Smith explained the report. Mr. Brenner stated he had no criticism of sales to meet the needs, but questioned the offsetting needs with profits earned by acquisitions. Mr. Smith replied that the profits have been used, among other things, to reduce debt.

Mr. Magnuson next offered his comments stating that he agreed to the program of gradual liquidation but believed that the maximum gain on Hecla should be sought. He stated that he consistently has urged other means of meeting needs. He was in favor of a policy of using the proceeds over a long term. He cited monetary markets turmoil, the rise in the price of Hecla and Northwest shareholders interests in mining. He stated that he would vote his conscience which was to sell enough shares to meet March needs before the next meeting of the Board. Mr. Magnuson then moved that the company sell sufficient shares of Hecla to yield \$900,000. This motion was seconded by Mr. Featherstone. Mr. Dunn asked for further discussion before acting on Mr. Magnuson's resolution. Mr. Smith cited the Board's prior interest in selling all the shares when they were at \$18, to which Mr. Magnuson replied that the factual situation had changed since that time. Mr. Dunn raised the question as to the liability position of the Board with respect to a possible Cerro tender offer should they acquire the Westgate holdings. Mr. Brenner responded that this should not be a factor in the decision but that the members should consider only what is a good deal for Golconda.

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Mr. Kunzel stated that he was mindful of potential liabilities of directors. He then read an article which appeared in the February 16th issue of Business Week which dealt with the highly speculative nature of the silver market. He expressed his concern that the company continues to maintain a major position in this highly speculative market. He asked Mr. Martin for his comments. Mr. Martin described to the members various beliefs as to the holdings and effect of the Hunt interests in silver. He pointed out the possibility of severe declines in the silver market should the Hunt interests choose to begin selling. Mr. Magnuson further commented on this to the effect that the price could continue to rise if the Hunt interests continue to accumulate a larger position in silver.

Mr. Smith commented that the enduring earnings of Golconda will come from its manufacturing operations. He questioned the justification for holding Hecla and yet borrowing money on the speculation that the price of silver and Hecla will rise further. He stated that at the time the company de-registered as an investment company in 1971, it recognized that it would henceforth be concerned primarily with income from manufacturing. Mr. Magnuson interposed that he wanted to make all the money possible for the company.

Mr. Dunn questioned Mr. Brenner on possible liabilities of the directors should they decide to sell the entire Hecla holdings as a block. Mr. Brenner stated that off-hand he could not see any real potential liability. Mr. Stogin quoted from Knepper's Liability of Corporate Officers and Directors, "Speaking generally, directors, officers and managing employees of corporations must act in good faith and for the best interests of their corporation and its stockholders. They must use reasonable care and diligence and must act within the scope of the authority conferred upon them. It has been said that a director is required 'to use care, to exercise judgment, the degree of care, the kind of judgment that one would give in similar situations to the conduct of his own affairs'". Mr. Dunn stated that he felt that the members agreed in principle with deployment of the Hecla investment but said that there was evidently disagreement on the timing of such deployment.

Mr. Smith called for each of the members views. Mr. Martin said, "I'd sell it." Mr. Featherstone expressed a desire to wait the outcome of the Cerro deal. Mr. Sly thought that Mr. Magnuson's earlier suggestion was a good one. Mr. Sloma stated that it was not a question of needs but rather one expressed by the Chair, namely that the company's orientation should be primarily manufacturing and that the timing for sale was propitious and that it follows the expressed long-term policy of the Board. The decision has been

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and is this Board's decision. Mr. Brenner expressed his disagreement. He stated that what the past decisions were is not relevant in light of today's facts. He questioned the sense of urgency. Mr. Dunn posed the issue as, "Do you want to pin down the profit now?"

Mr. Smith asked if there was any further discussion. There being none, the meeting was recessed at 10:51 A.M. to permit Mr. Brenner and Mr. Stogin to confer by telephone with Mr. Hammond Chaffetz of Kirkland & Ellis as to the potential liability of directors on this matter. The meeting was reconvened at 11:08 A.M. Mr. Brenner reported on the telephone conversation with Mr. Chaffetz. If we sell as would a prudent man (the same rule as expressed earlier by Mr. Stogin) there would be no liability. The minutes should recite the basis for the action taken. Full disclosure was made to Mr. Chaffetz with respect to the matters discussed earlier with special emphasis on those matters relating to Cerro.

At this point, Mr. Magnuson amended his earlier motion to \$1,030,000. This was seconded by Mr. Featherstone. Mr. Smith called for discussion of the amended motion. There being no further discussion, the question was called and the vote taken. The members voted as follows:

AYE: H.F. Magnuson
D.L. Brenner
W. Featherstone
W. Sly

NAY: G.P. Smith
R.M. Dunn
R.S. Sloma
H. Kunzel
A.D. Martin

There being a majority of negative votes, the motion did not carry.

Mr. Smith pointed out that this motion, having failed, meant that the company was left without a means of meeting its March cash needs. The Chair entertained additional motions. Mr. Magnuson moved that the meeting be adjourned. There was no second to this motion, and the meeting continued with the understanding expressed by the Chair that if continuance is improper, the business conducted from this point on will be null and void.

Mr. Sloma moved that a committee be appointed and directed by the Board to take action to sell the Hecla block at a proper time. Mr. Martin seconded the motion. The Chair called for discussion. Mr. Dunn stated that any sales should not be at a discount. Mr. Magnuson stated that if the motion was passed, it was his intention to employ independent legal counsel to protect his position and those interests which he represents. The motion was amended by Mr. Sloma to establish that the committee be comprised of Mr. Smith as chairman, and Messrs. Dunn and Magnuson as members. This amendment was seconded by Mr. Martin. Mr. Magnuson offered a

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compromise at this point which would involve revising his earlier resolution to \$2,000,000 to provide for the March/April needs. The resolution offered by Mr. Sloma was restated and offered as follows:

"RESOLVED, that a committee of the Board of Directors of Golconda Corporation be established with Mr. Gordon Smith as Chairman and Messrs. H.F. Magnuson and R.M. Dunn as members, for the purpose of taking such action as is necessary and proper to sell all of the shares of Hecla Mining Company presently owned by the company at market price but not less than \$28 per share. In any event, sufficient shares are to be sold to meet the cash needs of the company."

This motion was seconded by Mr. Martin. The Chair called the question. The vote was taken and recorded as follows:

AYE: A.D. Martin
H. Kunzel
R.S. Sloma
R.M. Dunn
G.P. Smith

NAY: H.F. Magnuson
W. Sly
W. Featherstone
D.L. Brenner

Mr. Brenner requested that the minutes note that he voted NO because of the threat of legal action by Mr. Magnuson. Mr. Smith requested that the minutes show that he voted YES because of a firm feeling that it is a prudent decision on the part of the Board and that he would make the same decision in his personal situation.

There being no further business to come before the Board, Mr. Dunn moved that the meeting be adjourned, second by Mr. Magnuson and unanimously adopted. The meeting was adjourned at 11:34 A.M.

Secretary

APPROVED:

Chairman

LS 002363

A F F I D A V I T

JOHN M. STOGIN, being duly sworn, on oath deposes and says that he is the Secretary of Golconda Corporation, a corporation having its principal office in the State of Illinois; and that on February 22, 1974, he caused to be deposited in the United States Post Office at the City of Chicago, in a sealed envelope, postage prepaid, duly addressed to each member of the board of directors of Golconda Corporation, a notice of a special meeting of the board of directors to be held on Thursday, February 28, 1974 at 9:00 A.M. pursuant to a call by the president, Gordon Paul Smith.

(Seal)


John M. Stogin
Secretary

Subscribed and sworn to before me

this 1st day of March, 1974.


Notary Public

(Seal) MY COMMISSION EXPIRES Nov 24, 1974

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MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

Pursuant to notice a special meeting of the Board of Directors of Golconda Corporation was held on Monday, March 11, 1974 at the corporate offices. The following members were present:

Gordon P. Smith
Daniel L. Brenner
R.M. Dunn
W. Featherstone
H.F. Magnuson
A.D. Martin
R.S. Sloma
W.L. Sly
J.M. Stogin, ex-officio

Absent: Herbert Kunzel and H.R. Land, Jr.

The meeting was called to order at 2:35 p.m. by the Chairman, Gordon Paul Smith. The minutes for the meeting of February 28, 1974 were distributed and were read by the members. Mr. Martin moved and Mr. Sloma seconded the approval of the minutes as submitted. The minutes were unanimously approved with the abstention of Mr. Magnuson.

Mr. Smith proceeded with the main subject of the meeting being the change in the holding of Golconda common stock by Westgate. He described to the members the events which transpired at the Friday, March 8th court hearing in San Diego. He described in detail Cerro's offer to purchase the block for \$8.3/8. He further described National Propane's offer of \$9.00 per share for less than 1,000,000 shares. He reported on Chapter X proceedings relative to Westgate. All of the events leading up to National Propane's final purchase of the entire block were discussed. There was a general discussion concerning the change in ownership of the block.

At this point in the meeting Frank Cicero and Don Scott of Kirkland & Ellis were introduced. Possible anti-trust problems relative to National Propane's ownership of Golconda were discussed.

LS 002365

There was further discussion relative to the propriety of Westgate receiving a premium above market for its block of Golconda stock. After discussion it was moved by Mr. Magnuson, seconded by Mr. Featherstone and unanimously agreed that the matter of the premium for the control stock be researched and that if it is appropriate, legal action be commenced against the proper party on behalf of the Company to recover the premium.

There being no further matters to come before the meeting, it was moved by Mr. Magnuson, seconded by Mr. Sloma and unanimously agreed that the meeting be adjourned at 6:59 p.m.

APPROVED:


Secretary

Chairman

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, March 27, 1974 at the corporate offices in Chicago, Illinois. The following members were present:

Gordon P. Smith
Ray M. Dunn
H. F. Magnuson
Richard S. Sloma
Donald W. Adams, ex-officio
John M. Stogin, ex-officio
Richard H. Watson, ex-officio

Present as guests: Hammond Chaffetz
Woolvin Patten

Absent: Herbert Kunzel

The Chairman, Mr. Gordon Paul Smith, called the meeting to order at 9:02 A.M. The minutes of the meeting of February 27, 1974 were moved for approval by Mr. Dunn, seconded by Mr. Smith and unanimously adopted.

President's Report - G.P. Smith

Mr. Smith proceeded to recap the situation with respect to National Propane's holding of Golconda shares.

Corporate Financial Matters - D.W. Adams

Mr. Adams reviewed the management report highlighting the inventory adjustments for the difference in standards for 1973 and 1974. He pointed out Hecla sales yielded \$891,000 in profits. First quarter sales and profits are down. Order intake and backlog continue very favorable. Cash flow has become critical with inventory and accounts receivable down. Sales of Hecla shares remain the key to cash flow. The negative cash flow from operations arises basically from the inventory situation. Inventories are \$7,000,000 above last year's levels.

Report on Operations - R.S. Sloma

The mid-month forecast was distributed and the following items highlighted for each group.

LS 002367

The March forecast was off from last month's forecast with a loss now being forecast for March. April should reflect a pickup for Rego and Bastian-Blessing. May should be a big shipment month. Heavy material price variances are forecast for Rego in April and May.

Bastian-Blessing - reflects a deferral of McDonald's releases. There should be a recovery in April and May and backlog remains good. Puffer-Hubbard acquisition has been stalled due to the continued hesitancy of Mr. Rengleberg.

Rego - The outlook is not good with high variances. Price action is being taken and a burden expense reduction plan is in the mill. Second quarter should show some improvement from the April 1st price increase.

RDC - March sales are drastically off. Sales are expected to rise after March and inventories should be down by the end of the second quarter.

Anderson Copper and Brass - good situation for sales and profits.

Pioneer Astro Industries - potential business with Hughes was discussed. Mr. Magnuson inquired as to the negative cash flow which Mr. Adams will investigate.

International - moving along well. Among the major developments was the notice of termination of Eisfink Bastian-Blessing. Manufacturing by Rego-Philippines imminent. Mr. Smith inquired as to the investment in Benelux. Mr. Sloma advised this was the initial inventory.

Golconda Metals - the old pattern continues with vendor problems. The division is seeking sales to outsiders of its die casting abilities.

Legal - J.M. Stogin

Mr. Stogin presented a preliminary copy of proxy material and he was authorized to proceed with its filing. The status of the Alsip Revenue Bond project was reported and it was decided to hold off further action pending developments with Cerro. Mr. Stogin reported that it was necessary to update the Monthly Investment Plan and prepare S.E.C. filings. The committee authorized such action.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson quoted comments on Alice Consolidated from Hecla's annual report. There was a general discussion of the mining area

LS 002368

Other matters -

There were numerous conference phone calls relating to the status of the block of Golconda shares with respect to National Propane and Cerro Corporation. Substantial discussions ensued relating to the telephone conference calls and the following resolutions were presented and adopted.

"RESOLVED, the Executive Committee of Golconda Corporation, on behalf of the entire Board of Directors, supports and will recommend to its shareholders, a tender offer by Cerro Corporation of 8-3/8 per common share and will offer its support and assistance in completion of that offer."

(Moved by Mr. Magnuson, seconded by Mr. Dunn and unanimously adopted.)

"RESOLVED, the Executive Committee recommends to the Board the prompt sale of the entire block of Hecla Mining common stock if Cerro Corporation does in fact make the aforesaid tender offer and has in fact acquired the 1,043,566 share block of Golconda common stock."

(Moved by Mr. Magnuson, seconded by Mr. Dunn and unanimously adopted.)

"RESOLVED, the Executive Committee recommends to the present Board that if Cerro Corporation acquires the block of Golconda common stock that they be offered five (5) positions on the present 10-man Board.

(Moved by Mr. Dunn, seconded by Mr. Sloma and unanimously adopted.)

There being no further business to come before the committee, the meeting was adjourned at 5:55 P.M.

APPROVED:

Secretary

Chairman

LS 002369

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

Pursuant to personal notice to each director by Gordon Paul Smith, a special meeting of the Board of Directors of Golconda Corporation was held on Wednesday, April 3, 1974 at the corporate offices. The following members were present:

Gordon P. Smith
Daniel L. Brenner
R.M. Dunn
W. Featherstone
A.D. Martin
R.S. Sloma
W.L. Sly
D.W. Adams, ex officio
J.M. Stogin, ex officio

Absent: Herbert Kunzel
H.R. Land, Jr.
H.F. Magnuson

The meeting was called to order by the Chairman, Gordon Paul Smith, at 3:10 P.M. Mr. Smith reported that Mr. Magnuson was unable to attend the meeting since he is in Italy on this date. He reported that H.R. Land would be resigning from the Golconda board and that Herbert Kunzel will remain on the board only until the matter of the FDIC relating to Westgate is settled.

Mr. Smith stated that one of the primary purposes of this meeting was to bring to a conclusion matters relating to the block of Golconda stock. He recapped events leading up to National Propane's rescission and reported on Cerro's stepping in to replace National Propane. It is the intention of Cerro to make a tender offer for all of the common shares of Golconda at \$8.375 per share, after the court overrules FDIC objections to Westgate-California's Chapter X filing. There was a lengthy discussion regarding the possibility of a recommendation to shareholders with respect to Cerro's proposed tender offer. The question was raised by Mr. Dunn as to preferred shares and Mr. Smith reported that Cerro was considering a plan for the preferred shareholders but had nothing specific to offer at this time. After discussions had been concluded, Mr. Sly offered the following resolution:

LS 002370

"RESOLVED, that the Board of Directors, after considering Cerro Corporation's proposal to make a tender offer for all of the outstanding common shares of Golconda at a net price of \$8.375, hereby authorizes Mr. Smith to recommend, on the board's behalf, that the offer be accepted by the common shareholders of the Company".

This resolution was seconded by Mr. Dunn and unanimously approved.

At the request of Mr. Smith, Mr. Stogin read to the Executive Committee the resolution relating to the sale of the Hecla Mining common stock block. Mr. Smith related all of the previous attempts to dispose of the Hecla stock as a block and the policy previously adopted of liquidating the Hecla position. Mr. Smith indicated that Cerro Corporation was willing to buy the block of Hecla stock. Mr. Dunn asked for a review of the plans for the sale. Mr. Ron Greenberg, of Alexander Grant and Company, auditors for the Company, was invited to discuss the tax aspects of the transaction. After a lengthy discussion which included matters such as price, discount, use of proceeds, promissory note, interest rates, compensating balance, State Mutual Loan Matters and various other elements of the transaction, Mr. Smith entertained a motion regarding the sale of the Hecla block. The following resolution was offered by Mr. Martin:

"WHEREAS, Golvest Corporation ("Golvest") a wholly-owned subsidiary of Golconda owns 344,927 shares of Hecla Stock, and

WHEREAS, Golconda Corporation ("Golconda") is the holder of all of the issued and outstanding shares of Golvest, therefore be it

RESOLVED, that Golconda purchase and Golvest sell 344,927 shares of Hecla Stock for a total consideration of \$9,916,651.25 evidenced by Golconda's promissory note in that amount maturing October 1, 1976, and bearing interest commencing April 4, 1974 at the prime rate as in effect from time to time, and

BE IT FURTHER RESOLVED, that the proper officers are authorized and directed to take any and all such action as is necessary to immediately sell to Cerro Corporation at the mid-point of the high and low price on the New York Stock Exchange this day (being 29-7/8) less the equivalent of \$1.125 per share commission, such commission amount having been determined to be the lowest possible amount, for a total consideration of \$9,916,651.25 consisting of \$916,651.25 in cash and \$9,000,000

in a 2-1/2 year promissory note of Cerro bearing interest from April 4, 1974 at 110% of the prime rate as in effect from time to time, and payable in two equal installments on March 31 and September 30, 1976".

This resolution was seconded by Mr. Sly and unanimously adopted.

A discussion next ensued regarding the means for meeting the Company's cash needs and the utilization of the Cerro note for that purpose. After discussion the following resolution was proposed by Mr. Sloma, seconded by Mr. Dunn and unanimously adopted:

"RESOLVED, that the officers of Golconda Corporation are hereby authorized and directed to arrange the necessary financing to meet the Company's cash requirements and for that purpose are specifically authorized to negotiate terms of a credit arrangement with the American National Bank and Trust Company of Chicago consisting of not to exceed \$8,000,000 long-term and \$3,000,000 revolving credit, at a rate not to exceed 110% of prime as in effect from time to time and such other terms as they may deem to be in the best interests of the Company, and to execute any and all such documents as may be required to accomplish the foregoing, including the collateralization of the Cerro note received for the Hecla Mining Company shares sold to Cerro Corporation."

The matter of an annual meeting was presented by Mr. Stogin and after discussion it was moved by Mr. Martin, seconded by Mr. Brenner and unanimously

"RESOLVED, that the annual meeting of shareholders of Golconda Corporation be held on May 16th subject to further developments which may make that date impracticable, in which event the date is to be revised and set by the Executive Committee. The Executive Committee is also authorized to set the record date for the annual meeting."

Mr. Stogin presented resolutions relating to various pension funds, copies of which are attached. All of the resolutions were moved by Mr. Sloma, seconded by Mr. Sly and unanimously adopted.

The need for action with respect to the preferred dividend was presented by Mr. Stogin. The following resolution was moved by Mr. Dunn, seconded by Mr. Martin and unanimously adopted:

"RESOLVED, that the regular quarterly twenty-five cent per share dividend on the \$1.00 cumulative convertible preferred stock of Golconda is hereby declared, payable on May 6, 1974 to shareholders of record of said stock at the close of business on April 18, 1974, and

FURTHER RESOLVED, that the Secretary is hereby directed and authorized to lodge the same with the transfer agent of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

Mr. Smith next presented for discussion the slate of Directors for 1974. The matter was thoroughly discussed and he proposed the following slate for management's proxy for the 1974 annual meeting:

R.M. Dunn
H.F. Magnuson
G.P. Smith
Alan Wolfley
Paul J. Bennett

W. Featherstone
R.S. Sloma
C. Gordon Murphy
Peter D. Weisse
David Gardiner

This slate was discussed. Mr. Smith moved its adoption which was seconded by Mr. Dunn. All of the members present, except for Mr. Brenner, voted in favor of the slate. Mr. Brenner directed that the minutes reflect that he cast a NO vote.

The announcement of H.R. Land's resignation was made by Mr. Smith, which resignation was accepted by the Board. It was then moved by Mr. Sly, seconded by Mr. Dunn and unanimously adopted that C. Gordon Murphy be elected to the Board of Directors to fill the vacancy created by the resignation of H.R. Land.

Mr. C. Gordon Murphy was also elected to fill the post of Chairman of the Board of Directors. The Board further voted to increase the size of the Executive Committee to six (6) members and Mr. Murphy was elected to fill the new vacancy created by the increase in size of the Executive Committee.

Mr. Sly tendered his resignation from the Board. Mr. Dunn moved that Mr. Sly's resignation be accepted with reluctance and nominated Alan Wolfley to fill the vacancy created by Mr. Sly's resignation. Mr. Sloma seconded the foregoing which was unanimously adopted.

LS 002373

Mr. Martin tendered his resignation from the Board. Mr. Dunn moved that Mr. Martin's resignation be accepted with reluctance and nominated Peter D. Weisse to fill the vacancy created by Mr. Martin's resignation. Mr. Sloma seconded the foregoing which was unanimously adopted.

There being no further business to come before the Board, the meeting was adjourned at 5:26 P.M.


Secretary

APPROVED:

Chairman

LS 002374

MINUTES OF THE SPECIAL MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

Pursuant to notice a special meeting of the Executive Committee of Golconda Corporation was held on Thursday, April 25, 1974 at 9:30 A.M. at the corporate offices. The following members were present:

R.M. Dunn
H.F. Magnuson
C.G. Murphy
R.S. Sloma
G.P. Smith
D.W. Adams, ex-officio
J.M. Stogin, ex-officio
R.H. Watson, ex-officio

Absent: H. Kunzel

Present as guests: R.R. Del Presto
J.W. Hasselbring
D.R. Keller
P.G. Plotica
N.H. Tiffen
D.V. Ytterberg
D. Gardiner
P.D. Weisse

The meeting was called to order at 9:36 A.M. by the Chairman, Gordon Paul Smith. Mr. Dunn moved that the minutes of the meeting of March 27, 1974 be approved as submitted. This was seconded by Mr. Magnuson and unanimously adopted. (Mr. C.G. Murphy abstained)

President's Report - G.P. Smith

Mr. Smith gave a brief historical recap of events since 1972 and actions taken since that date. He highlighted current goals versus results to date. He welcomed the Cerro personnel. Mr. Gordon Murphy acknowledged the welcome and commented on their investment in Golconda and their expectations.

Corporate Fiscal Matters - D.W. Adams

Mr. Adams called attention to Mr. Sloma's memo which contained

LS 002375

the highlights of March operations. He distributed the mid-month forecast and explained the procedure for their preparation. April operating income should be approximately equal to plan. May forecast shows recovery. First quarter operating income will be less than plan due to factors at Bastian-Blessing and Golconda Metals. Except for Anderson, all divisions are forecast behind plan for profit for six months. Confidence was expressed in the attainment of plan for 1974. A runout forecast for the balance of 1974 will be presented at the June meeting of the Committee. The cash forecast reflects the sale of Hecla. The negative cash balance of \$1,479,000 will be offset with loans at American National Bank. Mr. Murphy inquired as to the debt situation of the Company and a discussion on that subject followed. Mr. Weisse inquired as to the existence of any programs for converting inventory to cash. There then followed a discussion concerning inventory levels.

Manufacturing Operations

RegO - Mr. Sloma pointed out that there has been a significant shift in the demand in the market place compared to the plan for 1974 which was established in the last quarter of 1973. Mr. Weisse offered his comments regarding the outlook for copper prices and a discussion followed. There was additional discussion about inventory levels, turnover and prices. Mr. Smith offered his comments on the subject and recommended prompt attention.

RDC - Mr. Tiffen reported that the principal problem for RDC was a shortfall in sales arising from RegO's delivery problems. Order intake is firming up, especially for domestic equipment. The sales shortfall will be made up in the balance of the year.

Golconda Metals - Mr. Keller described the startup problems of the division. Die casting will become operational by the end of the month and outside sales are being sought for this operation. In response to Mr. Smith's question, Mr. Keller reported that the division would be in full production in June.

International - Mr. Plotica reported that International is ahead of plan. April, May and June reflect startup costs of operations not in the original plan.

Anderson Copper and Brass - Mr. Ytterberg stated that April profits were assured at this point and May should see an all time high. The second half of the year is normally strong for Anderson.

LS 002376

Bastian-Blessing - Mr. Del Presto reported that a substantial increase in finished goods occurred as a result of shipments deferred into the future by customers. Mr. Del Presto described the relationship between Gaylord and Bastian-Blessing.

Pioneer Astro Industries - Mr. Hasselbring reported that sales and profit fell short due to shortages of labor, materials and machines. He discussed the gauge program.

The general managers were excused from the meeting at this point.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson recapped some of the history of Golconda Mining, pointing out that the major thrust of the Company was its holdings of Hecla. He described further the land holdings and Alice Consolidated.

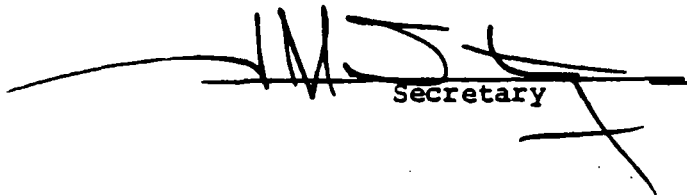
Legal - J.M. Stogin

Mr. Stogin pointed out that the Company is entitled to vote the shares of Hecla Mining which it held on the record date. He was instructed to give the Company's proxy to H.F. Magnuson and Wray Featherstone. The need for establishing an annual meeting date was presented. Upon motion by Mr. Magnuson, seconded by Mr. Sloma, it was unanimously agreed that the annual meeting be held on June 26, 1974.

The matter of the Monthly Investment Plan was raised once again. The Committee instructed Mr. Stogin to wait another month before taking action.

There being no further business to come before the Committee, the meeting was adjourned at 12:49 P.M.

APPROVED:


Secretary

Chairman

LS 002377

MINUTES OF THE MEETING
OF THE
EXECUTIVE COMMITTEE
OF
GOLCONDA CORPORATION

The regular meeting of the Executive Committee of Golconda Corporation was held on Wednesday, May 22, 1974 at the corporate offices. The following members were present:

R.M. Dunn
H.F. Magnuson (later)
R.S. Sloma
G.P. Smith
D.W. Adams, ex-officio
J.M. Stogin, ex-officio
R.H. Watson, ex-officio

Absent:

H. Kunzel
C.G. Murphy

Present as guests:

D. Gardiner
P.D. Weisse
R.R. Del Presto
J.W. Hasselbring
D.R. Keller
P.G. Plotica
N.H. Tiffen
D.V. Ytterberg

The meeting was called to order at 9:36 a.m. Only 3 of the 6 members being present, Mr. Weisse, a director, was named to fill the spot of one of the absentees, by unanimous vote of those members present, pursuant to provisions of the by-laws. A quorum being present the meeting continued. The minutes of the meeting of April 25, 1974 were moved, seconded, and unanimously approved as previously submitted.

President's Report - G.P. Smith

Mr. Smith reported on his trip to New York to attend Cerro's annual meeting and other events. Mr. Stogin reported on the shares tendered thus far under Cerro's tender offer. Mr. Smith invited Mr. Weisse to comment on the possible sequence of events with respect to the tender, to which Mr. Weisse responded. (Mr. Magnuson joined the meeting at this point.) Mr. Smith expressed the cooperative attitude which exists between Cerro and Golconda while still recognizing the independent status of Golconda as a public company.

LS 002378

Corporate Fiscal Matters - D.W. Adams

Mr. Adams reported on the manufacturing earnings results, pointing out that the Hecla gain was reported in April. Inventory and other balance sheet items were highlighted as was the increase in deferred income tax which arose from the sale of Hecla. Cash flow was negative at the manufacturing level being off \$1.7 million from plan due to increased inventories not fully offset by increased accounts payable and bank loans. The mid-month forecast was next reviewed in detail. The cash forecast reflects the loan re-financing in May. Mr. Adams pointed out that the interest expense had been forecast basically on the sale of Hecla earlier in the year. Borrowing has been higher at higher rates. Positive cash flow should be starting soon.

Each of the division presidents presented and discussed his division's mid-month forecast. In addition, the following also took place.

Manufacturing Operations - R.S. Sloma

RegO - Mr. Sloma reported on the results for RegO. Order intake remains healthy and backlog continues high. There was a general discussion about the inventory situation.

RDC - Mr. Tiffen reported the first half behind plan as a result of dislocations in sales. Marketing practices were discussed.

GMD - Mr. Keller emphasized that they are concentrating on improving utilization of equipment. Forgings and die castings are being debugged and the first push on extrusions should take place next week.

International - Mr. Plotica stated the major factor here has been export activity. No softening expected. The projected shortfall from original plan reflects changes made after the plan was established last year. Benelux being an example.

ACB - Mr. Ytterberg stated that the month of April was better in all areas. May results are locked in. Backlog is a lengthy six weeks.

Pioneer - Mr. Hasselbring reported first half results were behind planned income by \$20,000 and ahead of last year by \$63,000. Backlog is ahead of plan and the second half looks good. There was a discussion about the Hughes business.

LS 002379

Bastian-Blessing - Mr. Del Presto expressed confidence in the plan for the year. He described the action steps in their Profit Assurance Program. The McDonald's situation was discussed in response to Mr. Smith's question.

The division presidents were excused at this point.

Golconda Mining Corporation - H.F. Magnuson

Mr. Magnuson discussed briefly some of the mining activities and it was agreed that Mr. Magnuson and Mr. Smith should meet with Mr. Higgs of Cerro and review Mr. Magnuson's memo regarding the value of mining securities still in the Company's portfolio.

Personnel Matters - R.H. Watson

Mr. Watson described the Monthly Investment Plan and recommended its discontinuance. It was moved by Mr. Dunn, seconded by Mr. Sloma, and unanimously agreed that steps should be taken to terminate the plan and withdraw the registration. Mr. Watson discussed the 1973 and 1974 Performance Unit Plan for Key Executives. Mr. Smith commented upon the operation of the plan. There was a discussion regarding exercise prior to November 30, 1974 and the question of price. In view of the effect on the market because of Cerro's tender offer, no changes were proposed. Mr. Smith reported to the Committee that the participants in the Performance Stock Unit Plan for Officers and Executives had exercised their rights, as provided in that Plan. He noted that Plan was originated in 1971 and is separate and distinct from the plan previously described by Mr. Watson.

The matter of the ratio for equity and fixed investment of the pension fund contributions was raised by Mr. Watson. After discussion it was agreed that this matter be held for consideration at the next meeting.

Mr. Dunn left the meeting at this point.

Mr. Watson reported on union activity, pointing out that the contract with the Allied Industrial Workers at the Bastian-Blessing plant expires on June 15th. He noted also that Pioneer Astro has received a petition for representation from the Machinists Union. An exhibit containing organizational charts and runners up was distributed by Mr. Watson and he profiled the management organization. After which discussion took place with respect to the exhibit.

LS 002380

Legal - J.M. Stogin

Mr. Stogin presented proxy material which is to be submitted to the Securities and Exchange Commission for filing. The Executive Committee authorized the filing of the proxy and established the meeting date as Thursday, June 27, 1974 and record date as May 30, 1974. Mr. Stogin described the proposed Alsip Revenue Bond financing and the status of the project, pointing out that proceedings had been held in abeyance due to the many changes which have taken place. After discussion, the Committee authorized the officers to proceed with the revenue bond project. Mr. Stogin reported on his conversation with Mr. Frier of the American Stock Exchange with respect to the status of possible listing thereon. Mr. Stogin reported the most recent figures for the tender offer and reminded those present that the directors had endorsed the tender and they should make certain they tender their shares.

There being no further business to come before the Committee, the meeting was adjourned at 3:33 P.M.


Secretary

APPROVED:

Chairman

FIRST MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

The first meeting of the Board of Directors of Golconda Corporation was held on Thursday, June 27, 1974 immediately following the annual meeting of shareholders in the Governors Suite of the Continental Plaza Hotel in Chicago, Illinois. The following directors were present:

Paul J. Bennett
R.M. Dunn
Wray Featherstone
David A. Gardiner
H.F. Magnuson
C. Gordon Murphy
Richard S. Sloma
Gordon Paul Smith
Peter D. Weisse

Absent: Alan Wolfley

Also in attendance were: Donald W. Adams
Charles B. Cranford
J. Hugh Murphy
John M. Stogin
Richard H. Watson

C. Gordon Murphy acted as temporary Chairman and John M. Stogin as Secretary. The meeting was called to order at 11:36 A.M. The minutes of the meeting of April 3, 1974 were unanimously approved as previously submitted.

Election of Officers -

Mr. Weisse presented the matter of election of officers. The following persons were nominated:

Gordon Paul Smith	Chairman of the Board
Richard S. Sloma	President and Chief Executive Officer

It was also recommended that, except for Mr. Smith, all of the other officers continue at the same rates of compensation and other conditions of employment and fringe benefits as they individually had prior to the meeting. The foregoing was moved by Mr. Magnuson, seconded by Mr. Gardiner and unanimously approved.

LS 002382

Mr. Sloma expressed his appreciation for being named President.

Mr. Stogin was requested to summarize for the members the proposed employment agreement with the Company and Mr. Gordon P. Smith. Mr. Stogin then covered each of the sections of the agreement. Mr. Smith offered his comments on the duties and responsibilities which he would be undertaking. In addition to the employment agreement, Mr. Smith is to be permitted to continue his participation in the Performance Unit Plan for 1973 and 1974. The following resolution was made by Mr. Magnuson, seconded by Mr. Dunn and unanimously adopted.

"RESOLVED, that the officers of this corporation are hereby authorized and directed to execute the employment agreement presented at this meeting. (Secretary's Note: an executed copy of the agreement is attached to these minutes.)

FURTHER RESOLVED, that Mr. Smith is to be permitted to continue his participation in the Performance Unit Plan for 1973 and 1974."

At this point in the meeting Mr. Smith assumed the Chair. He expressed his pleasure with the Cerro relationship. Mr. C. Gordon Murphy responded with an expression that there be a smooth transition in the working relationship.

Mr. Weisse requested that Mr. Sloma state his understanding regarding the lines of authority. Mr. Sloma reported that he reports to the Executive Committee as his primary responsibility; Mr. Weisse is Chairman of the Executive Committee. Mr. Gardiner, as a member of the Executive Committee, is responsible for coordinating the operations of RegO, Anderson Copper & Brass and Pioneer Astro with Mr. Sloma. Regarding Golconda Metals, Mr. Sloma coordinates the responsibilities through Mr. Gardiner and for Bastian-Blessing, Mr. Sloma is accountable but not responsible. Mr. Weisse will be responsible for the coordination of Bastian-Blessing through Mr. Alaimo.

Establishment of Committees -

There was a general discussion with respect to the need for committees of the Board. At present the existing committees, consisting of the Executive and Compensation Committees, were described.

Executive Committee - Upon motion by Mr. Magnuson, seconded by Mr. C. Gordon Murphy, it was unanimously

"RESOLVED, that the Executive Committee consist of David A. Gardiner, Richard S. Sloma, Gordon P. Smith and Peter D. Weisse."

In addition, resolutions, relating to security matters were unanimously adopted in the form attached. The resolutions were moved by Mr. Bennett and seconded by Mr. Magnuson.

The following resolution was then offered by Mr. Magnuson, seconded by Mr. Sloma and after discussion unanimously adopted.

"RESOLVED, that the Executive Committee is hereby delegated the full authority of the Board of Directors with respect to the management of the company and is authorized to act when the Board is not in session."

Compensation Committee - It was moved by Mr. Magnuson, seconded by Mr. Featherstone and after comments by Mr. J. Hugh Murphy, it was unanimously

"RESOLVED, that a Compensation Committee be established consisting of Raymond M. Dunn, David A. Gardiner and Peter D. Weisse for the purpose of reviewing and making recommendations to the Board as to the compensation of officers."

Program for Liquidation of Mining Investments -

There was a general discussion regarding the program for the disposition of all of the present holdings of mining investments over a period of time. Mr. Magnuson and Mr. J. Hugh Murphy both commented at length on the subject. Developments with respect to disposition at this time were described by Mr. Magnuson. The need for establishing a plan for the purpose of facilitating the disposition of the securities was presented. Mr. J. Hugh Murphy pointed out that any such plan or formula was to be submitted for approval to the Board or Executive Committee.

Personnel Matters -

Mr. Watson described the current status of union matters. He pointed out the settlement with the Allied Industrial Workers Union in Grand Haven and the upcoming election on July 12th at the Pioneer Astro Division. He went on to describe personal attitudes with respect to the change in control of the company. Among the reactions were curiosity, some concern over tenure, benefits and growth. Mr. Smith commented that he had received assurance from Cerro that benefits would be at least equal to or greater than those presently in effect. Mr. C. Gordon Murphy stated that Cerro favors benefits being determined at a local level rather than at the corporate level and that this was his expectation for Golconda. With respect to personnel, Mr. C. Gordon Murphy offered his comments on the shortage of qualified personnel and the importance of the management group.

Legal Matters -

Mr. Stogin presented the following matters for the members consideration.

Golvest Corporation - The need for electing new directors. After discussion the following resolution was unanimously adopted.

"RESOLVED, that Golconda Corporation, being the sole shareholder of Golvest Corporation, hereby waives notice of meeting and elects the following persons as its Board of Directors to serve until the next annual meeting of Golvest or until such time as their successors are elected and qualified:

H.F. Magnuson W. Featherstone P.D. Weisse H.W. Higgs

Pension Plan Provisions -

In order to implement the benefits negotiated in the settlement of the new AIW Local 581 contract, a resolution in the form attached was moved by Mr. Dunn, seconded by Mr. Gardiner and after discussion unanimously adopted.

American Stock Exchange -

Mr. Stogin and Mr. Smith described past activity with respect to the listing of the shares of the Company on the American Stock Exchange. After discussion it was decided to take no action at this time to further the listing application but to defer the matter.

Alsip Revenue Bond -

Mr. Stogin reported on the status of the litigation involved in the Alsip Revenue Bonds. The project was also described and after discussion the officers were directed to continue with that project.

Dividend Action -

Mr. Stogin pointed out that the time had arrived for action to be taken on the quarterly dividend on the preferred shares. The following resolution was offered by Mr. Weisse, seconded by Mr. Bennett and unanimously adopted:

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"RESOLVED that the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is July 15, 1974 and payment date August 6, 1974. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

"RESOLVED FURTHER, that the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

Appointment of Auditors -

Mr. C. Gordon Murphy stated that in his opinion it would be appropriate to have Price Waterhouse serve as auditors for the company. Mr. Bennett moved, Mr. Gardiner seconded, and after discussion it was unanimously

"RESOLVED, that Price Waterhouse & Company become the auditors of record for Golconda Corporation."

Mr. Adams was directed to notify Alexander Grant & Company of the change and to express the Board's appreciation for the fine service rendered by Alexander Grant & Company in the past. Mr. Bennett and Mr. Weisse were authorized to meet with representatives of Price Waterhouse and Company for the purpose of discussing fees.

Change in Fiscal Year -

Mr. Bennett recommended that the fiscal year be changed to December 31st in order to coincide with that of Cerro Corporation since Cerro would be filing a consolidated tax return including the results of Golconda Corporation. Mr. Weisse commented that procedurally the year should be closed as of November 30th to permit the appropriate payments under existing bonuses and other agreements. The following resolution was offered by Mr. Bennett, seconded by Mr. Magnuson and after discussion unanimously adopted:

"RESOLVED, that the fiscal year of Golconda Corporation be changed to a calendar year.

FURTHER RESOLVED, that to permit compliance with various compensation plans and agreements, the closing adjustments for operations prior to November 30th be included in earnings for the twelve months ending November 30th."

Meeting Dates -

After discussion the following dates were unanimously agreed to for the regular meetings of the Board of Directors.

"RESOLVED, that the regular meeting dates for the Board of Directors of Golconda Corporation are hereby established as the first Thursday immediately following the second Wednesday of the months of September and December, 1974 and March, 1975."

The above resolution was moved by Mr. C. Gordon Murphy and seconded by Mr. Magnuson.

State of Incorporation -

Mr. J. Hugh Murphy offered his observations with respect to the state of incorporation and suggested that the company might want to consider a change at the next annual meeting of shareholders. There was a general discussion on the subject of change from Idaho to Delaware as the state of incorporation. The Secretary was instructed to make an investigation as to the cost involved in processing a change to the State of Delaware at the next annual meeting.

Operating Results -

Mr. Sloma presented a detailed review of the operations of each of the manufacturing divisions referring to the financial statements and charts which were exhibited at the meeting.

Mr. Weisse complimented Mr. Sloma on the presentation. He commented that it was very important to achieve the plan and that a credibility gap which exists at the present time must be closed before further investment via acquisitions will be considered.

Mr. Smith offered his comments regarding the growth which has taken place and the basic value of Golconda over the past three years. Mr. Murphy suggested that although there may have been some communication problems between various people, that we exercise patience and that everyone learn to live together.

Debentures -

There was a brief discussion with respect to the Company's convertible subordinated debentures. Mr. Stogin was requested to report at the next board meeting on the yield to maturity and yield to the next sinking fund payment date.

Controls and Policies -

Mr. Gardiner presented for consideration certain policies which he felt would be appropriate for Golconda to initiate these policies included such subjects as capital expenditures, retirement, salaries, transfers, publicity and charitable contributions. After discussion Mr. Murphy suggested that copies of the policies be submitted to management for review.

There being no further business to come before the meeting, the meeting was adjourned at 3:10 P.M.


Secretary

APPROVED:

Chairman

A F F I D A V I T

State of ILLINOIS

County of COOK

JOHN M. STOGIN, being duly sworn, on oath deposes and says that he is the Secretary of Golconda Corporation, a corporation organized and existing under the laws of the State of Idaho; and that for ten days or more prior to June 27, 1974, the date of the annual meeting of shareholders of the Corporation, a certified list of shareholders has been on file for inspection of shareholders of record of the Corporation.

(Seal)


John M. Stogin, Secretary

Subscribed and sworn to before me
this 26th day of June, 1974.


Notary Public

(Seal)

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A F F I D A V I T

State of ILLINOIS

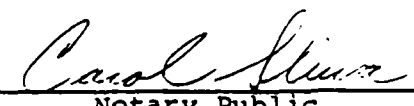
County of COOK

JOHN M. STOGIN, being duly sworn, on oath deposes and says that he is the Secretary of Golconda Corporation, a corporation having its principal office in the State of Illinois; and that on June 12, 1974, he caused to be deposited in the United States Post Office at the City of Chicago, in a sealed envelope, postage prepaid, duly addressed to each stockholder of record of the Corporation at his last known post office address as the same appeared on the books of the Corporation, the following: (1) Notice of Annual Meeting of Shareholders to be held June 27, 1974, (2) Proxy Statement, (3) Proxy Card, a copy of each of which is hereto attached and are hereby made a part of this affidavit.

(Seal)


John M. Stogin, Secretary

Subscribed and sworn to before me
this 17th day of June, 1974.


Notary Public

(Seal)

LS 002390

REGULAR MEETING OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

A regular meeting of the Board of Directors was held on Thursday, September 12, 1974, at the Corporate Offices, Chicago, Illinois. The following Directors were present:

Wray Featherstone
D. A. Gardiner
C. Gordon Murphy
R. S. Sloma
G. P. Smith
P. D. Weisse

Absent:

P. J. Bennett
R. M. Dunn
H. F. Magnuson
A. Wolfley

Present as guests:

J. Hugh Murphy
F. F. Schauder

The Chairman, Gordon P. Smith called the meeting to order at 11:15 a.m. The minutes of the meeting of June 27, 1974 were unanimously approved as previously submitted.

Amendment to the By-Laws -

The matter of amending the By-Laws to increase the size of the board to eleven was raised and discussed. After full discussion, the following amendment to Article III, Section 1 of the By-Laws was moved by Mr. Sloma and seconded by Mr. C. Gordon Murphy and unanimously adopted:

RESOLVED: The number of directors which shall constitute the whole board shall be eleven. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Mr. Robert A. Pritzker was nominated to fill the vacancy created by the amendment to the By-Laws, subject to his consent to serve on the board. It was moved by Mr. Weisse and seconded by Mr. C. Gordon Murphy and agreed unanimously that Mr. Pritzker be named a Director of Golconda Corporation, subject to his acceptance.

The board then took under consideration the resignation of Mr. Alan Wolfley. It was moved by Mr. Weisse and seconded by Mr. C. Gordon Murphy and agreed unanimously that the resignation of Mr. Wolfley should be accepted. Mr. Weisse moved that Mr. Fred F. Schauder be elected to fill the vacancy created by the resignation of Mr. Wolfley. The motion was seconded by Mr. Featherstone and unanimously approved. Mr. Schauder was declared elected.

Mr. Stogin was authorized to issue a press release covering the changes in the Board of Directors, after clearance with Mr. J. Hugh Murphy and the acceptance of Mr. Pritzker.

Executive Committee Meeting of August 16, 1974 -

Mr. Weisse recapped the events reflected in the minutes of that meeting which were previously distributed to the Directors. Mr. Gardner moved that the Board accept the withdrawal of Mr. Sloma's notice. This motion was seconded by Mr. Featherstone and unanimously adopted.

Accounting Policy -

Mr. Weisse read aloud a position paper concerning Golconda Metals Division and Pioneer Astro Division. Mr. Sloma, in response to an inquiry from Mr. Gardiner, described the status of the gauge program discussing briefly the history of the program and the alternatives available. Mr. Adams is currently preparing an economic study of the gauge program. The members reviewed exhibits of the many different gauges manufactured. After subsequent discussion, it was agreed that it was the sense of the Board to delegate to the Executive Committee decisions with respect to accounting policies as concerns capital assets and tooling amortization.

Manufacturing Operations -

RegO, RDC and International

Mr. Sloma reported on the outlook for this group highlighting problems experienced with the propane supplies. The outlook is down for balance of this year. This is a reflection of gas price and supply. In response to Mr. C. Gordon Murphy's questions regarding this, Mr. Sloma stated that additional factors were the uncertainty in the market place created by the propane problem, and inventory situations and rising costs. There ensued a discussion concerning the status of the company inventory with Mr. C. Gordon Murphy emphasizing a high sense of urgency to reduce the inventory.

Mr. Weisse recommended combining RegO, RDC and International into one profit center. Mr. Sloma reported on future plans for RDC in New Jersey.

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Anderson Copper and Brass

There was a discussion concerning growth prospects for Anderson Copper and Brass.

Pioneer Astro Industries

Mr. C. Gordon Murphy raised the question as to whether or not the company should be in the lines of business engaged in at Pioneer Astro. Mr. Sloma offered his comments and described plans for the future. After discussion it was decided that it was the sense of the board to get out of the contract business and the Executive Committee was authorized to proceed with the details. Mr. Sloma is to discuss the situation with the general manager of the division. Mr. Gardiner requested that Mr. Stogin make certain that any new contract entered into for this division contain a right to assign performance if delivery extends beyond four months.

Golconda Metals Division

Mr. Gardiner discussed the various phases of Golconda Metals Division: Aluminum die casting operation is sound; Presses in the forging area are down for maintenance; Undertaking rod manufacturing was a costly decision.

Bastian-Blessing Division

Mr. Weisse reported that the division was coming along nicely. McDonald sales are coming through and backlog is OK through 1975, but not beyond. Volume in other segments of the business has deteriorated. The forecast for 1975 is inadequate and alternatives are being examined including possible sale of the division. Mr. Stogin offered comments on the restrictions contained in the various debt agreements as to the sale of assets. Messrs. Stogin and Adams are to report on the debt restrictions and the repurchase of debentures vis-a-vis the sale of the division.

Liquidation Program for Mining Investments

Mr. Featherstone reported that drilling is continuing on the Alice Consolidated project that there have been no significant results thus far. Spring of 1975 will be a time of decision for this project.

Mr. C. Gordon Murphy inquired as to the plans for selling the other mining securities. Mr. Featherstone indicated that efforts for such sale could be resumed when the market is right. Mr. C. Gordon Murphy read aloud a letter sent by Mr. Higgs, dated May 5, 1974, to Mr. Magnuson. Mr. C. Gordon Murphy proposed that Mr. Featherstone and Mr. Magnuson dispose of investments in the best way possible. It was agreed that there would be no incentive compensation paid or payable to Messrs. Featherstone and Magnuson in the event that they are successful in arranging a sale of the subject mining interests.

Voluntary Investment Plan

At the request of Mr. Richard H. Watson, Mr. Stogin presented the resolution amendments relating to the Voluntary Investment Plan, in the form attached. After discussion, it was agreed that this matter should be reviewed by Mr. Watson with Mr. Sebastian. The attached resolutions were unanimously adopted subject to Mr. Weisse's final consent to the recommendation.

Mr. Weisse left the meeting at this point.

Corporate Financial Matters and Outlook for Fiscal 1974

Mr. Sloma distributed financial information concerning the 3rd quarter and year-to-date results as well as a forecast for 1974. Each of these reports were discussed in turn.

Legal Matters

Mr. Stogin presented information with respect to the company's debentures relating to the yields to sinking fund dates and maturity. He offered further comments with respect to the possible effects of the sale of Pioneer and/or Bastian-Blessing and possible indenture restrictions. Mr. Stogin along with Mr. J. Hugh Murphy is to investigate the situation. It was reported that the Alsip revenue bond project was still pending. After discussion, it was the consensus of the Board to cancel the project. However, at the request of Mr. C. Gordon Murphy, Mr. Stogin is to consult with Mr. Rogowski to see if he has any ideas on the matter before cancelling.

The matter of Directors' and Officers' liability insurance coverage was presented indicating a change in carrier. Mr. Stogin inquired as to whether any of the Directors or Officers has knowledge of pending litigation that would have to be disclosed to the carrier prior to obtaining coverage. All present indicated they had no knowledge of any events requiring reporting.

Bd Mtg. - 9/12/74

There being no further business to come before the Board, the meeting was adjourned at 3:56 P.M.

APPROVED:

REGULAR MEETING OF
BOARD OF DIRECTOR

GOLCONDA CORPORATION

R.M.S.
SITE STORAGE

S-197 BX. #1229
38-16852

A regular meeting of the Board of Directors was held on Thursday, March 20, 1975, at the Corporate Offices, Chicago, Illinois. The following Directors were present:

- P. J. Bennett
R. M. Dunn
Wray Featherstone
D. A. Gardiner
H. F. Magnuson
R. A. Pritzker
F. F. Schauder
- R. S. Sloma
G. P. Smith
P. D. Weisse.

Present as guests: C. B. Cranford
M. Roehm, Jr.

Mr. Gordon P. Smith, Chairman, called the meeting to order at 1:22 P.M. The minutes of the December 13, 1974 meeting of the Board were approved as submitted, with a clarification requested by Mr. Gardiner to the effect that the resolution of the Compensation Committee refer to base compensation exclusive of incentive compensation.

Report on Manufacturing Operations -

Mr. Sloma reported on results to date, which information was discussed. He described the action taken in reducing the work force at various locations. There was a discussion of the components of administrative and interest expense. Mr. Sloma highlighted the reductions which have taken place in inventory at the operational level amounting to \$325,000 in February and \$635,000 for the two months. There was a discussion regarding the impact of the layoff on earnings. Mr. Gardiner recommended sending the monthly commentary to all outside Directors. Receivables showed an increase and represent a problem area. A program is being instituted for collections.

Golconda Mining Division -

Mr. Gardiner reported on this division and presented a listing for proposed sale of certain assets. He pointed out that the major problem at the division is volume and equipment performance and that volume is a reflection of RegO's low sales.

Report on 1974 Audit Results -

Mr. Schauder reviewed the status of the audit, pointing out that the dollar amounts were set in total, but that certain internal allocations were still being finalized. He highlighted the fourth

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quarter loss. The form of earnings release was presented, and it was moved by Mr. Bennett, seconded by Mr. Magnuson and unanimously approved, subject to final clearance with Price Waterhouse.

Mr. Cranford left the meeting at this point. Mr. Glen E. Hess, Esq. of the firm of Kirkland & Ellis was invited into the meeting at this time.

Report on Sale of Bastian-Blessing Division -

Mr. MacDonnell Roehm, Jr. reviewed the contract terms between Golconda and Page-Mill, highlighting the unfunded pension liability and thoroughly discussing the basis for arriving at the selling price. After discussion, the attached resolutions were moved by Mr. Magnuson, seconded by Mr. Dunn and unanimously approved. It was understood that before any substantial changes are made, they be approved by the Executive Committee.

Report on Sale of Pioneer Astro Industries -

Mr. Roehm presented a series of charts depicting the Pioneer transaction. There was a substantial discussion of the operational aspects of the proposed joint venture. After a complete discussion of the pros and cons of the matter, a motion was made to refer it to the Executive Committee and to vest in that Committee the authority to act on all matters relating to the sale of the Pioneer Division.

Report on Status of Mining Investments -

Mr. Featherstone reported on the Alice Con project and described further Hecla's obligations thereunder. There have been no affirmative results as a result of the diamond drilling to date. A discussion ensued regarding disposition of the shares of mining companies, and it was decided that economic conditions were adverse to the sale and that marginal investments must await a more favorable climate for sale.

Legal Matters -

The resignation of Mr. C. Gordon Murphy was moved by Mr. Dunn, seconded by Mr. Magnuson and unanimously accepted. After discussion, it was decided that the vacancy would not be filled. Mr. Stogin reported that the 10-K report to the SEC was in its final stages and will be finalized and filed next week. The 10-K will be issued, along with a President's Letter, as the company's annual report. Mr. Bennett left the meeting at this point.

The matter of the Proxy for the annual meeting of shareholders was next raised. It was moved by Mr. Magnuson, seconded by Mr. Dunn and unanimously agreed that the present ten Directors be named as management's slate. The Executive Committee was authorized to set the record date and the time and place of the annual meeting.

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Mr. Stogin was authorized to prepare and file Proxy material with the SEC, including a change in the State of Incorporation to Delaware. A report was presented by Mr. Stogin relating to the purchase of debentures. His recommendation that the Directors authorize the purchase of up to \$396,000 face amount of debentures to meet the remaining sinking fund obligations for 1977 and 1978 at prices equal to or below 84 for 1977 and 76 for 1978 was moved by Mr. Dunn, seconded by Mr. Pritzker and unanimously adopted.

The matter of the preferred dividend was brought before the Board and a resolution in the following form was unanimously adopted:

"RESOLVED that the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is April 15, 1975 and payment date May 6, 1975. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and RESOLVED FURTHER that the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution".

Election of New Officers -

Mr. Weisse proposed that Mr. Frederick F. Schauder be elected to the post of Vice President-Finance and Treasurer and Mr. Kenneth D. Archer be elected Assistant Secretary of the company. It was moved by Mr. Magnuson, seconded by Mr. Sloma and unanimously approved that these assignments be made. A discussion then ensued with respect to reporting relationships. The following was decided. Mr. Gardiner will be directly responsible for Anderson and Golconda Metals with Mr. Ytterberg reporting directly to him. Mr. Sloma will report directly to Mr. Weisse, and he will have responsibility for RegO and its related groups--Pioneer, Mining activities and Corporate and Administrative. Mr. Alaimo will be responsible for the Bastian-Blessing Division until the sale is completed. Mr. Schauder is to evaluate all alternatives with respect to the gauge program liquidation and make recommendations to the Executive Committee.

Compensation Committee -

Mr. Stogin and Mr. Sloma were requested to leave the meeting at this point. Upon completion of the Board's deliberations, Mr. Stogin and Mr. Sloma were called back into the meeting. A motion was then made by Mr. Weisse, seconded by Mr. Featherstone and unanimously adopted (with Mr. R. A. Pritzker abstaining) that Mr. Pritzker replace Mr. Gardiner on the Compensation Committee and that he be named Chairman thereof and that the other two members consist of Mr. Dunn and Mr. Weisse.

LS 002398

The following matters were recommended by the Compensation Committee:

- (1) Mr. Del Presto's compensation is to be at the rate of \$40,000 per year if the division remains with Golconda, and if the Page-Mill deal is completed he is to receive three months severance pay.
- (2) Mr. Sloma's compensation, effective April 1, is to be at the rate of \$54,000 per year base plus incentive compensation.

Executive Committee -

Mr. Pritzker was unanimously elected to the Executive Committee in place of Mr. Smith, upon motion by Mr. Magnuson and second by Mr. Featherstone.

New Pension Legislation Compliance -

Mr. Schauder reported that the company was taking action with respect to compliance and that Mr. Hal Sebastian of the Cerro organization was overseeing the entire project.

Signature Resolutions -

The need for changes in signature authority was presented by Mr. Stogin. Resolutions in the form attached were moved by Mr. Magnuson, seconded by Mr. Dunn and unanimously adopted.

At this point, Messrs. Schauder, Gardiner and Pritzker left the meeting.

Other Business -

Mr. Stogin was requested to place on the agenda for the next Board meeting an analysis of results of pension investments. Mr. Watson is to handle this matter.

Next Meeting -

The next meeting of the Board is scheduled to follow the annual meeting.

There being no further business to come before the Board, the meeting was adjourned at 5:10 P.M.

APPROVED:

LS 002399

FIRST MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLCONDA CORPORATION

The first meeting of the Board of Directors of Golconda Corporation was held on Thursday, June 19, 1975 immediately following the annual meeting of shareholders at the Hyatt Regency O'Hare Hotel in Rosemont, Illinois.

All directors were present:

John DeStefano	H. F. Magnuson
R. M. Dunn	John R. Morrill
Wray Featherstone	Robert A. Pritzker
David A. Gardiner	Gordon Paul Smith
George A. Jones	Peter D. Weisse

The meeting was called to order at 11:27 A.M. by Mr. Smith as chairman with Mr. Stogin acting as secretary.

The minutes of the meeting of March 20, 1975 were unanimously approved as previously submitted.

ELECTION OF OFFICERS

Chairman of the Board - Mr. Weisse moved that Mr. Gordon P. Smith continue as chairman. Mr. Gardiner seconded the motion and it was unanimous.

President and Chief Executive Officer - Upon motion by Mr. Dunn and second by Mr. Gardiner, it was unanimous that Mr. Morrill be elected to said positions.

Each of the following were named to the positions indicated upon individual motion, second and unanimous vote:

Wray Featherstone	Vice President (also President of Golconda Mining Corporation)
Donald V. Ytterberg	Vice President-President Anderson Copper and Brass and Golconda Metals Divisions
John M. Stogin	Vice President-Corporate Counsel and Secretary
D. L. Hess	Assistant Secretary
Charles B. Cranford	Vice President-Controller and Assistant Secretary
Kenneth D. Archer	Assistant Secretary

LS 002400

The board was advised of Mr. Stogin's acceptance of a new position, and it was unanimous that Mr. Archer become corporate counsel and secretary upon the effective date of Mr. Stogin's resignation.

Upon motion by Mr. Pritzker and second by Mr. Dunn, it was unanimous that Mr. Morrill serve additionally as treasurer until a candidate is found for that position.

All compensation, fringe benefits and other conditions of employment were continued as in effect immediately prior to this meeting.

The board unanimously adopted the standard forms of bank resolutions to permit the necessary changes to be made in signature authority in keeping with the foregoing elections.

ESTABLISHMENT OF COMMITTEES

Mr. Weisse presented a recommendation for the executive committee. There then followed a general discussion of the subject, and it was decided to merge the compensation committee function into the executive committee.

The following resolution was moved by Mr. Weisse and seconded by Mr. Magnuson:

"RESOLVED, that George A. Jones, David A. Gardiner and John R. Morrill shall constitute the executive committee of this board until the next annual meeting, with Mr. Jones as chairman, and that, when this board is not in session, said committee shall have and exercise all of the powers of this board in the management of the business of this corporation, except the power to fill vacancies in the board and the power to amend the bylaws. Action may be taken without a formal meeting if unanimous written consent thereto is filed with the minutes of the board."

After general discussion with specific comments by Mr. Pritzker the resolution was adopted unanimously.

A pension committee (not a committee of the board) was designated consisting of John R. Morrill, Thomas McGrath and Fred Manning. Documents relating to retiring personnel may be signed by any two members of this committee.

Mr. Magnuson inquired as to the desirability of establishing an audit committee of the board. There was a general discussion and it was then moved by Mr. Pritzker, seconded by Mr. Dunn and unanimously resolved that an audit committee be established.

Upon motion by Mr. Weisse, second by Mr. Pritzker, the following were unanimously elected to the committee:

R. M. Dunn, Chairman
John DeStefano
H. F. Magnuson

PRESIDENT'S REPORT

Mr. Morrill reported on operations of RegO, highlighting a pre-tax loss. There was a discussion centered on the inventory levels and actions being taken. Systems needs were further described by Mr. Morrill and discussed by the members. Mr. Smith described a report he recently submitted to Mr. Morrill concerning his findings relating to the RegO LPG business.

Mr. Gardiner commented on Golconda Metals operations and capital items.

SALE OF DIVISIONS

Mr. Stogin reported on the status of the sale of the Bastian and Pioneer divisions, pointing out that the final calculations were still being made by the auditors. Mr. Weisse commented on the situation with respect to Bastian and a discussion thereon followed.

LEGAL MATTERS

The board unanimously ratified the acts done by consent in lieu of meetings since the last meeting.

In connection with the pension plans, it was decided that the Pension Committee is to report to the board on results, the new law as it affects the company and the continued use of Connecticut General Life Insurance Company.

Mr. Stogin presented the need for a blanket resolution relating to lost, misplaced, destroyed or otherwise missing debentures when replacement is requested. After discussion, the following resolution was unanimously adopted:

"RESOLVED, that the Central National Bank in Chicago is authorized to accept the affidavits and indemnity bonds and replace the lost debenture #RM305 representing \$3,000 face value of Golconda Corporation debentures."

In order to avoid the necessity of passing on each individual request in regard to lost debentures, the following resolution was unanimously adopted:

"RESOLVED, that the Central National Bank in Chicago and Marine Midland Bank, Transfer Agents for the debentures of this Corporation, be and they are hereby authorized and directed on the basis of an Affidavit of Loss and a Surety Company Open Penalty Bond of Indemnity in which this Corporation is named as an Obligee, in form satisfactory to them in each instance, to issue and register, respectively, from time to time, a new certificate or certificates of debentures of this Corporation to replace a certificate or certificates reported lost, stolen, or destroyed, without further action or approval by or on behalf of this Corporation. This authority shall be limited, in each instance, to \$10,000 face value of debentures for each holder(s) of record."

Messrs. DeStefano and Jones were advised of the need to file Form 3 with the S.E.C. Mr. Stogin will supply the forms to them.

Mr. Stogin reported on the status of the purchase of debentures to date for the sinking fund. The board ratified the purchases for the sinking fund and authorized further purchases as in the March 20, 1975 meeting.

DIVIDEND ACTION

The matter of the preferred dividend was brought before the board by Mr. Stogin and a resolution in the following form was unanimously adopted:

"RESOLVED, that the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is July 15, 1975 and payment date August 6, 1975. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and RESOLVED FURTHER, that the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

APPOINTMENT OF AUDITORS

After discussion, upon motion by Mr. Weisse and second by Mr. Featherstone, the firm of Price Waterhouse & Company was unanimously named as auditors for the company for the next year.

REGULAR MEETING OF THE BOARD

The next regular meeting of the board was set for Friday, September 19, 1975 at 10:00 A.M. at the corporate offices, 4201 West Peterson Avenue, Chicago, Illinois.

OTHER MATTERS

H. F. Magnuson Compensation:

Mr. Smith presented a letter received from Woolvin Patten, attorney, relating to compensation for Mr. Magnuson. After general discussion, the matter was referred to the executive committee for study and recommendation to the board.

Press Release:

The board authorized Mr. Stogin to prepare and issue a press release relating to the elections and dividend.

Golconda Mill:

Mr. Featherstone reported that an offer had been received for the Golconda Mill. He is to consult with Mr. Higgs prior to sale and was delegated the authority to sell for \$40,000, or better.

Pioneer Astro Metallica Property:

Mr. Smith mentioned the property still owned in California. Mr. Stogin is to send his file to Mr. Morrill for review.

Union Situation:

Mr. Morrill reported that the final findings of the NLRB as to the recent Teamsters election are still delayed and the outlook is favorable for the company.

RegO Philippines:

The liquidation of the investment in RegO Philippines was recommended.

B/D Mtg. 6/19/75

Financial Statements:

Mr. Pritzker requested that financial statements be submitted to directors prior to the meetings. Messrs. Magnuson and Featherstone concurred in this request.

There being no further business to come before the board, the meeting was adjourned at 2:04 P.M.

J. M. Stogin, Secretary

APPROVED:

GOLCONDA CORPORATION

REGULAR MEETING OF THE BOARD OF DIRECTORS

FRIDAY, SEPTEMBER 19, 1975

A regular meeting of the Board of Directors of Golconda Corporation was held on Friday, September 19, 1975 at 9:35 o'clock in the morning, at the RegO Division, 4201 West Peterson Avenue, Chicago, Illinois 60646.

Nine of the Corporation's directors were present and one was absent.* Mr. Gordon P. Smith, Chairman of the Board, presided. Mr. Kenneth D. Archer, Secretary of the Corporation, recorded the minutes.

The minutes of the June 19, 1975 meeting were unanimously approved as written.

Report on Financial, Operating and Personnel Matters

Messrs. J. R. Morrill and D. A. Gardiner reported on RegO and Anderson Copper and Brass, respectively.

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board by Mr. Archer and a resolution in the following form was adopted:

"RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is October 15, 1975 and payment date November 6, 1975. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

RESOLVED FURTHER, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

*Present: G. P. Smith, J. R. Morrill, W. Featherstone, P. D. Weisse, D. A. Gardiner, R. M. Dunn, R. A. Pritzker, G. A. Jones and J. DeStefano

Absent: H. F. Magnuson

Resolution re Brokerage Account for Debentures

In connection with the purchases of the Corporation's Debentures, it was requested that the proper officers of this Corporation be authorized to open and maintain brokerage accounts as the need may arise. Accordingly, after discussion, the following resolutions were unanimously adopted:

"RESOLVED, That the President, any Vice President, or the Treasurer of this Corporation be, and each of them is, hereby authorized and empowered for and on behalf of this Corporation to establish and maintain one or more accounts with one or more securities brokerage firms, with one or more security dealers, and with one or more commercial banks and/or trust companies (hereinafter called the "Brokers") for the purpose of purchasing, acquiring, holding, exchanging, transferring, selling or otherwise disposing of and generally dealing in and with shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, script certificates, evidences of indebtedness or other securities; to give written or oral instructions with respect to any such account or any transaction therein; including but without thereby limiting the generality of the foregoing, authorizing the Brokers to hold securities belonging to this Corporation in the name of the Brokers or in this Corporation's name; to accept delivery of any securities from any such account; to transfer, endorse, assign and set over and to deliver or direct the delivery of any securities at any time held in any such account; to execute and deliver any and all documents including releases, powers of attorney and other documents in connection with any such account; and generally to do all things, to execute any and all such documents and to take all such action as by said officers and agents may be deemed necessary or advisable, convenient and proper in connection with any such account; provided that the foregoing authorization shall not include authority to open or maintain margin accounts or to make short sales of securities;

FURTHER RESOLVED, That the Secretary of this Corporation be and hereby is empowered and directed to prepare and deliver to the Brokers certified copies of these resolutions and to certify the names of such officers of this Corporation and in case of any change of any holder of any such office the fact of such change and the name of any new officer; and

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FURTHER RESOLVED, That the Brokers shall be authorized to act in pursuance of these resolutions until they have actually received notice of any change therein."

Bank Signature Resolutions

In connection with the opening of bank accounts, after discussion, the following bank resolutions were unanimously adopted by the Board:

"RESOLVED, That the individuals holding the following offices in the Corporation: the President, the Chairman of the Board of Directors, each of the Vice Presidents, the Secretary, and the Treasurer (hereinafter referred to as "Authorizing Officers"), any two acting jointly, are hereby authorized and empowered on behalf of the Corporation to establish and maintain bank accounts (including custodian accounts, safe deposit and night depositary facilities) for and in the name of the Corporation or any of its divisions or under any other appropriate designation or title, in any one or more banks, trust companies or savings and loan associations (each such institution hereinafter referred to as a "depository bank") which they shall from time to time designate as depositories of the funds, securities or other property of the Corporation or which have heretofore been so designated by the Board of Directors; and

FURTHER RESOLVED, That any one of the Authorizing Officers is hereby authorized and empowered, on behalf of the Corporation, to draw and sign checks, drafts, instruments and other orders upon or with respect to any funds, securities or other property of the Corporation on deposit in any bank accounts of the Corporation now or hereafter established in any depository bank; and

FURTHER RESOLVED, That the Authorizing Officers, any two acting jointly, are hereby authorized and empowered on behalf of the Corporation (i) to designate and empower, from time to time, either by name or by title, those other officers, employees, and agents of the Corporation who shall have such authority to draw and sign checks, drafts, instruments and other orders upon or with respect to such funds, securities or other property of the Corporation on deposit in any depository bank, either individually or jointly as said Authorizing Officers shall prescribe, and (ii) to impose from time to time, such limitations and conditions upon the signing authority of any such other officers, employees or agents, as said two Authorizing Officers in their discretion shall deem advisable; and

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FURTHER RESOLVED, That the Authorizing Officers, any two acting jointly, are hereby authorized and empowered on behalf of the Corporation, to authorize the issuance of checks, drafts, instruments and other orders upon or with respect to any bank accounts of the Corporation now or hereafter established, over the facsimile signature or signatures of any one or more officers, employees or agents of the Corporation designated by said two Authorizing Officers, and that each depository bank which is so notified in writing as hereinafter specified in these resolutions shall be entitled to honor and to charge the Corporation with checks, drafts, instruments and other orders bearing or purporting to bear an authorized facsimile signature or signatures, regardless of by whom or by what means the actual or purported facsimile signature or signatures may have been affixed thereto, provided that such facsimile signature or signatures resemble the facsimile specimens certified to such depository bank, from time to time, by the persons hereinafter specified in these resolutions; and

FURTHER RESOLVED, That the Authorizing Officers, any two acting jointly, are hereby authorized and empowered to terminate any bank accounts of the Corporation now or hereafter established, to revoke or limit the authority of any person now or hereafter authorized to draw and sign, manually or by facsimile signature, checks, drafts, instruments or other orders upon or with respect to any bank accounts of the Corporation, and to revoke or limit the authorization of any depository bank to rely upon and honor any facsimile signature now or hereafter certified to it; and

FURTHER RESOLVED, That all designations of banks, trust companies and savings and loan associations as depository banks of the Corporation, all authorizations of the person or persons authorized to draw upon the Corporation's accounts in such depository banks, including all such authorizations for the use of facsimile signatures heretofore given by the Board of Directors and all other authorizations heretofore given to depository banks by the Board of Directors, are hereby in all respects ratified and confirmed and shall continue in effect until terminated or revoked pursuant to the foregoing resolutions; and

FURTHER RESOLVED, That the Secretary or Assistant Secretary of the Corporation, is hereby authorized and empowered to certify in a signed, written instrument delivered to any depository bank of the Corporation, now or hereafter designated, (i) a copy of the foregoing resolutions, (ii) the

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titles of the Authorizing Officers and the names of the persons holding such titles, (iii) the names of the persons who, from time to time, may have signing power, granted pursuant to the foregoing resolutions or resolutions heretofore adopted by the Board of Directors, upon any bank account of the Corporation at such depositary bank, (iv) a notification of the authorization of such depositary bank to honor any facsimile signature or signatures given by the Authorizing Officers, and (v) a specimen of the manual and/or facsimile signature of each person who may have signing authority upon any bank account of the Corporation; and each such depositary bank is hereby authorized to rely upon the said certificates or notifications signed by the Secretary or Assistant Secretary unless and until the same is revoked or modified by a similar certificate or notification in writing so signed and delivered to it."

Report on Sale of Pioneer Astro Industries Division

Mr. Archer distributed copies of Mr. D. W. Adams' memo dated September 16, 1975 re "Sale of Pioneer Astro's 'Contract' Business" to all Board members for their review.

* * * *

Mr. Robert A. Pritzker left the meeting at this point.

* * * *

Resolutions re Pension Plan and VIP Plan

This matter was turned over to the Executive Committee for any necessary action. All changes are to comply with the new Pension Law.

Debenture Purchases

The Board authorized the purchase of debentures on the market as long as the minimum return is 20%.

* * * *

Mr. Robert A. Pritzker returned to the meeting at this time.

* * * *

Golconda Mill

Mr. Wray Featherstone reported that attempts are being made to sell the Golconda Mill as an operating unit.

LS 002410

H. F. Magnuson Compensation

Mr. G. A. Jones reported that he has been advised by Mr. Cohen that no compensation agreement with Mr. Magnuson exists and that salary payments to Mr. Magnuson have been terminated. The Board ratified action in terminating such payments by Golconda.

PAI Metallica

Mr. J. R. Morrill is to review this real estate matter and report to the Board.

Golconda Mining Operations

Messrs. G. A. Jones and W. Featherstone reported on attempts to sell mining investments.

Next Meeting

The next regular meeting of the Board of Directors of Golconda Corporation is scheduled for 10:00 A.M. on Monday, December 8, 1975 at the RegO Division.

There being no further business to come before the meeting, it was adjourned at 11:10 A.M.


Kenneth D. Archer, Secretary

LS 002411

GOLCONDA CORPORATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, DECEMBER 8, 1975

A regular meeting of the Board of Directors of Golconda Corporation was held on Monday, December 8, 1975 at 8:30 o'clock in the morning at 39 So. LaSalle Street, Chicago, Illinois 60603.

Eight of the Corporation's directors were present and two were absent.* Mr. Gordon P. Smith, Chairman of the Board, presided. Mr. Thomas L. Seifert recorded the minutes.

The Board approved the minutes of the September 19, 1975 meeting, except that the resolutions regarding Brokerage Accounts for Debentures were limited to the purchase of debentures and were revised to read as follows:

"RESOLVED, That the President, any Vice President, or the Treasurer of this Corporation be, and each of them is, hereby authorized and empowered for and on behalf of this Corporation to establish and maintain one or more accounts with one or more securities brokerage firms, with one or more security dealers, and with one or more commercial banks and/or trust companies (hereinafter called the "Brokers") for the purpose of purchasing, acquiring, holding, exchanging, transferring, selling or otherwise disposing of and generally dealing in and with debentures; to give written or oral instructions with respect to any such account or any transaction therein; including but without thereby limiting the generality of the foregoing, authorizing the Brokers to hold said debentures belonging to this Corporation in the name of the Brokers or in this Corporation's name; to accept delivery of any debentures from any such account; to transfer, endorse, assign and set over and to deliver or direct the delivery of any debentures at any time held in any such account; to execute and deliver any and all documents including releases, powers of attorney and other documents in connection with any such account; and generally to do all things,

*Present: G. P. Smith, J. R. Morrill, W. Featherstone, D. A. Gardiner, R. M. Dunn, G. A. Jones, H. F. Magnuson and J. DeStefano.

Absent: R. A. Pritzker and P. D. Weisse.

Guests: T. L. Seifert, D. R. Nomura and C. B. Cranford.

to execute any and all such documents and to take all such action as by said officers and agents may be deemed necessary or advisable, convenient and proper in connection with any such account; provided that the foregoing authorization shall not include authority to open or maintain margin accounts or to make short sales of debentures;

FURTHER RESOLVED, That the Secretary of this Corporation be and hereby is empowered and directed to prepare and deliver to the Brokers certified copies of these resolutions and to certify the names of such officers of this Corporation and in case of any change of any holder of any such office the fact of such change and the name of any new officer; and

FURTHER RESOLVED, That the Brokers shall be authorized to act in pursuance of these resolutions until they have actually received notice of any change therein."

The Board also approved the minutes of the Executive Committee meetings held October 1 and October 14, 1975.

In connection with the purchases of securities generally, it was requested that the proper officers of this Corporation be authorized to open and maintain brokerage accounts as the need may arise. Accordingly, after discussion, the following resolutions were unanimously adopted:

"RESOLVED, That the President, any Vice President, or the Treasurer of this Corporation be, and each of them is, hereby authorized and empowered for and on behalf of this Corporation to establish and maintain one or more accounts with one or more securities brokerage firms, with one or more security dealers, and with one or more commercial banks and/or trust companies (hereinafter called the "Brokers") for the purpose of purchasing, acquiring, holding, exchanging, transferring, selling or otherwise disposing of and generally dealing in and with shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, script certificates, evidences of indebtedness or other securities; to give written or oral instructions with respect to any such account or any transaction therein; including but without thereby limiting the generality of the foregoing, authorizing the Brokers to hold securities belonging to this Corporation in the name of the Brokers or in this Corporation's name; to accept delivery of any securities from any such account; to transfer, endorse, assign and set over and to deliver or direct the delivery of any securities at any time held in any such account; to execute and deliver any and all documents including releases, powers of attorney and other documents in connection with any such account; and

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generally to do all things, to execute any and all such documents and to take all such action as by said officers and agents may be deemed necessary or advisable, convenient and proper in connection with any such account; provided that the foregoing authorization shall not include authority to open or maintain margin accounts or to make short sales of securities;

FURTHER RESOLVED, That the Secretary of this Corporation be and hereby is empowered and directed to prepare and deliver to the Brokers certified copies of these resolutions and to certify the names of such officers of this Corporation and in case of any change of any holder of any such office the fact of such change and the name of any new officer; and

FURTHER RESOLVED, That the Brokers shall be authorized to act in pursuance of these resolutions until they have actually received notice of any change therein."

Report on Financial, Operating & Personnel Matters

Mr. J. R. Morrill reported on RegO and Mr. D. A. Gardiner reported on Anderson Copper and Brass and Golconda Metals.

Mr. Morrill presented a letter dated November 25, 1975, a copy of which is affixed to these minutes, from the President of Componetrol, Inc. outlining the terms of a proposed purchase of the RegO Division's Oil-Less Compressor Product Line. After a discussion of the matter, the following resolution was adopted:

"RESOLVED, That the proper officers of the Corporation are, and each of them hereby is, authorized and directed to enter into an agreement for the sale of the RegO Oil-Less Compressor Product Line, substantially along the terms stated in the November 25, 1975 letter from Mr. H. T. Douglas, President of Componetrol, Inc., and

FURTHER RESOLVED, That each of the proper officers of this Corporation be, and they hereby are, authorized and directed to take such further action and execute and deliver such documentation as they in their discretion may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof."

LS 002414

Resignation of Peter D. Weisse

Mr. Peter D. Weisse's resignation from the Board of Directors of Golconda Corporation was accepted, effective December 8, 1975.

Appointment of Robert C. Gluth

Mr. Robert C. Gluth was nominated to become a director of the Board of Golconda Corporation and also to become a Vice President of the Corporation, and after discussion of the matter, the following resolution was adopted:

"RESOLVED, That Robert C. Gluth be, and he hereby is, appointed a director and Vice President of this Corporation effective December 8, 1975, to serve as such until the next annual meeting of the stockholders of this Corporation and until his successor is appointed."

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board and resolutions in the following form were adopted:

"RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$.25) per share is hereby declared. The record date therefor is January 15, 1976 and payment date February 6, 1976. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation, and

RESOLVED FURTHER, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock, and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution."

H. Arnsteen, Inc. Default on Lease & Other Payables

Mr. T. L. Seifert reported on the default of H. Arnsteen, Inc. on the lease and other payables relating to the sale of the stock of Pioneer Astro Industries, Inc. and reported that appropriate legal proceedings were being instituted in order to protect the interests of the Corporation.

LS 002415

Review of Product Liability Claims by Martin Boyer

Mr. Seifert reported on the fact that we have asked Martin Boyer Company, Inc. to review the product liability claims and to give the status of each claim and its recommendations with respect to each claim.

Amendment of Bylaws to Decrease the Number of Members of the Board of Directors

The amendment of the Bylaws to decrease the number of members of the Board of Directors was referred to the Executive Committee for action.

Resignation of Kenneth D. Archer

Mr. Kenneth D. Archer's resignation as Secretary and General Counsel of Golconda Corporation was accepted by the Board, effective December 8, 1975.

Appointment of Thomas L. Seifert

Mr. Thomas L. Seifert was nominated to become Secretary and General Counsel of Golconda Corporation, and after discussion of the matter, the following resolution was adopted:

"RESOLVED, That Thomas L. Seifert be, and he hereby is, appointed Secretary and General Counsel of this Corporation effective December 8, 1975, to serve as such until the next annual meeting of the stockholders of this Corporation and until his successor is appointed."

Debenture Purchases

Mr. David R. Nomura, Treasurer, reported on the purchase of Golconda debentures.

Golconda Mill and Golconda Mining

Mr. Wray Featherstone made a report on the Golconda mill and Golconda Mining, and there was a general discussion by the Board with regard to a write-down of the value of the mining stocks held by this Corporation.

LS 002416

PAI Metallica

Mr. J. R. Morrill reported on the real estate owned by PAI Metallica with the recommendation that the real estate which is currently reported on the books at \$20,000 be reduced to its true value which is estimated to be less than \$1,000.

\$7 Million Loan

Mr. N. Gustafson, Director of Taxes of Cerro Corporation, joined the meeting at this point and discussed Cerro's business needs to borrow \$7,000,000 in cash from Golconda or to pledge on behalf of Cerro Corporation \$7,000,000 of the Certificates of Deposit of Golconda on a short-term basis at interest rates equal to or better than the rates which Golconda was realizing on its investments. After a discussion of the matter, the following resolutions were adopted:

"RESOLVED, That the proper officers of this Corporation are, and each of them hereby is, authorized and directed to loan no more than \$7,000,000 to Cerro Corporation for a period of time not to exceed one-hundred and twenty (120) days at an interest rate equal to or better than the rates which this Corporation is able to obtain from alternative investments, or, in the alternative, to pledge on behalf of Cerro Corporation no more than \$7,000,000 of the Certificates of Deposit held by this Corporation for a time period not to exceed one-hundred and twenty (120) days. Said Certificates of Deposit are to be returned to this Corporation, together with all accrued interest, or said loan is to be fully paid, together with all accrued interest, no later than one-hundred and twenty (120) days from the date of said loan or pledge. This loan or pledge is made on the condition that Cerro Corporation agrees to hold harmless and indemnify Golconda Corporation with respect to this loan or pledge, such that Golconda Corporation shall be in the same or better position than if said loan or pledge had not been made, and such that all costs relating to said loan or pledge shall be borne by Cerro Corporation; and

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FURTHER RESOLVED, That each of the proper officers of this Corporation be, and they hereby are, authorized and directed to take such further action and execute and deliver such documentation as they in their discretion may deem necessary or desirable to further the purposes of the foregoing resolution, the taking of such action and the execution of such instrument or instruments to constitute conclusive evidence of their approval thereof."

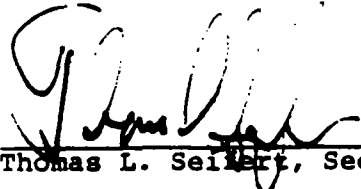
Audit Committee

The Board approved the Audit Committee minutes of the October 15, 1975 meeting.

Next Meeting

The next regular meeting of the Board of Directors of Golconda Corporation is scheduled for 8:30 A.M. on Tuesday, March 2, 1976, at 39 So. LaSalle Street, Suite 520, Chicago, Illinois 60603.

There being no further business to come before the meeting, it was adjourned at 11:00 A.M.



Thomas L. Seifert, Secretary

LS 002418

C E R R O C O R P O R A T I O N
Special Meeting of the Board of Directors
Monday, January 5, 1976

A special meeting of the Board of Directors of Cerro Corporation was held on Monday, January 5, 1976 at 4:40 o'clock in the afternoon at the offices of the Corporation, 15th Floor, 300 Park Avenue, New York, New York.

All of the Corporation's directors were present.* Mr. Jay A. Pritzker, Chairman of the Board of Directors, presided. Mr. Kenneth D. Archer, Vice President, Secretary and General Counsel of the Corporation, recorded the minutes. Also present at the invitation of the Board were Messrs. Martin Lipton, Esq., and Lawrence Lederman of Messrs. Wachtell, Lipton, Rosen & Katz, and Richard T. McDermott, Esq., of Messrs. Alexander & Green.

The Secretary presented the direction to call the meeting and stated that notice of the meeting required by law and the By-laws of the Corporation had been served on each of the directors. The Chairman ordered that the direction to call the meeting and a copy of the notice of the meeting be filed with the records of the meeting, together with the waiver of notice of the meeting when signed by all directors.

* Present: Messrs. Cutler, Githens, Gluth, Harder, Jones, Pepper, J. Pritzker, R. Pritzker and Wolfley.
Absent: None.

RATIFICATION OF MINUTES

Upon motion being duly made and seconded, it was unanimously

RESOLVED, that a reading of the minutes of the regular meeting of the Board held on November 3, 1975, and the special meeting of the Board held on November 13, 1975 and adjourned to November 18, 1975, be waived, and it appearing that copies of the minutes of said meeting had been furnished to all directors, the said minutes be, and they hereby are, approved as written.

CERRO/MARMON BUSINESS COMBINATION

(a) Smith, Barney Report, business combination.

Messrs. Harder and Pepper reviewed with the Board the Smith, Barney report and the report of the Business Combination Committee.

At the request of Mr. Archer, Mr. McDermott addressed the Board with respect to the business combination.

There followed a general discussion during which Messrs. Archer, McDermott and Lipton responded to questions and comments of Board members relating to the Business Combination, the preliminary proxy materials and the other documents under consideration and referred to herein.

After these discussions it was determined that the terms of the proposed business combination were fair from a

financial viewpoint to the stockholders of Cerro Corporation other than Marmon, and accordingly, the business combination was desirable and in the best interests of the stockholders of Cerro.

(b) Business Combination, Agreement and Plan of Merger Exchange Agreement.

After discussion, upon motion being duly made and seconded, it was unanimously

RESOLVED, that the Board of Directors of the Corporation hereby approves the merger (hereinafter in these resolutions called the Merger) of the Company, with and into the Cerro-Marmon Corporation, a Delaware Corporation (Cerro-Marmon) pursuant to the proposed Agreement and Plan of Merger dated as of , 1975, between the Company and Cerro-Marmon (hereinafter in these resolutions called the Merger Agreement), a copy of the form of which dated the second proof of December 19, 1975, has been submitted to the meeting; hereby declares the Merger to be advisable and fair to the Corporation and the stockholders of the Corporation other than the Marmon Group (Michigan); hereby approves and adopts the form, terms, and provisions of the Merger Agreement; hereby authorizes the Chairman of the Board, the President, or any Vice President of the Corporation to execute and deliver, in the name and on behalf of the Corporation and under its corporate seal, attested by the Secretary or an Assistant Secretary of the Corporation (each of whom is hereby authorized to attest the same), the Merger Agreement in substantially said form, with such changes therein as such executing officer, by his execution and delivery thereof, shall approve, his signature to be conclusive evidence of such approval; and hereby authorizes and directs the officers of the Corporation to take any and all such other action on behalf of the Corporation at such time or times as they shall deem necessary or advisable in order to cause the Merger to become effective;

RESOLVED, that the form, terms, and provisions of the proposed Exchange Agreement dated as of , 1976, among GL Corporation, Cerro-Marmon Corporation, the Marmon Group Inc. (Michigan) and the Corporation, (hereinafter in these resolutions called the Exchange Agreement), in the form dated the second proof of December 19, 1975 and submitted to the meeting, be, and they hereby are, in all respects approved; and that the Chairman of the Board, the President or any Vice President of the Corporation be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Corporation and under its corporate seal, attested by the Secretary or an Assistant Secretary of the Corporation (each of whom is hereby authorized to attest the same), the Exchange Agreement in substantially said form, with such changes therein as such executing officer by his execution and delivery thereof, shall approve, his signature to be conclusive evidence of such approval, and hereby authorizes and directs the officers of the Corporation to take any and all such other action on behalf of the Corporation at such time or times as they shall deem necessary or advisable in order to cause the transactions contemplated therein to become effective.

(c) Indemnity Agreements to Smith, Barney and Business Combination Committee

After discussion, upon motion being duly made and seconded it (Messrs. Githens, Harder and Pepper abstaining) was unanimously

RESOLVED, that the proper officers of this Corporation be, and each of them hereby is, authorized and directed to execute and deliver to Smith, Barney & Co. Incorporated, an agreement of indemnity indemnifying them against certain losses and damages which they may incur in connection with the business combination, such agreement of indemnity to be in such form and substance as such officers may deem necessary or desirable, the execution and delivery of such agreement of indemnity to be conclusive evidence of the exercise by such officers of such discretion.

RESOLVED, that the proper officers of this Corporation be, and each of them hereby is, authorized and directed to execute and deliver to the members of Business Combination Committee an agreement of indemnity indemnifying them against certain losses and damages which they may incur in connection with the business combination, such agreement to be in such form and substance as such officers may deem necessary or desirable, the execution and delivery of such agreement of indemnity to be conclusive evidence of the exercise by such officers of such discretion.

(d) Approval of Proxy Material; Direction to Mail

After discussion, upon motion being duly made and seconded, it was unanimously

RESOLVED, that this Board of Directors hereby approves (a) the combined form of notice of meeting and proxy statement, in the form of the Second Proof of December 23, 1975, as presented at this meeting, and (b) the form of proxy, relating to the special meeting of the stockholders to be held on a date to be set during the month of February, 1976, with the understanding that such material may be modified as necessary, on advice of counsel to comply with comments, if any, of the Securities and Exchange Commission, and may otherwise include such other additions, deletions or changes, consistent with the sense of this meeting, as the proper officers of the Corporation may approve; and

FURTHER RESOLVED, that the Secretary is hereby authorized and directed to mail, or cause to be mailed to all persons who are holders of the Corporation's Common Stock at the close of business on December 26, 1975 (which date was set by the unanimous written consent of Directors on December 15, 1975), the combined form of notice of meeting and proxy statement and form of proxy relating to said stockholders' meeting.

(e) Preferred Stock - fair value

After discussion, it was determined that, based upon a consideration of the Smith, Barney report, the fair value of the preferred stock to be issued was \$20.75.

(f) Prudential Loan Agreement

Mr. Archer reported on the status of the amendment to the Agreement between Cerro Corporation and certain lenders dated February 6, 1967. The terms of this amendment are as set forth in a letter dated December 19, 1975 from Prudential to Cerro Corporation.

After discussion, and upon motion being duly made and seconded, it was unanimously

RESOLVED, that the proper officers of this Corporation be, and each of them hereby is, authorized to take any and all actions as may be proper, and necessary or desirable, to enter into an amendment of an agreement between Cerro Corporation and certain lenders dated February 6, 1967, substantially on the terms as set forth in a letter dated December 19, 1975 from the Prudential Insurance Company of America to Cerro Corporation with such changes as such officers may deem necessary or desirable, such execution and delivery to be conclusive evidence of the exercise of such discussion.

ICX - Authorization for Expenditure

Messrs. R. Pritzker and Cutler next discussed with the Board the need for authorizing the expenditure by ICX of \$2.5 million to replace certain equipment.

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LS 002424

After discussion, upon motion being duly made and seconded, it was unanimously

RESOLVED, that Authorization for Expenditure in the amount of \$2.5 million for replacement of certain equipment of ICX be, and it hereby is, approved.

FETTEROLF

Mr. R. Pritzker next reported to the Board that for reasons of economic necessity certain capital expenditures had commenced for the Corporation's coal mining subsidiaries. Mr. Pritzker stated that authorization for expenditure were being prepared and would be presented to the Board for its review and approval when completed.

CERROSALES - Officers

Mr. R. Pritzker reported that Jamie Claro, formerly Senior Vice President of the Corporation's subsidiary, Cerro Sales Corporation, had been appointed President of Cerrosales, in place of Ralph F. Freyfuss who had resigned.

ADJOURNMENT

There being no further business to come before the meeting, it was adjourned at 5:21 p.m.


Secretary

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LS 002425

UNANIMOUS WRITTEN CONSENT OF DIRECTORS
OF
CERRO CORPORATION
IN LIEU OF A MEETING

The undersigned, being all of the directors
of Cerro Corporation, hereby consent pursuant to Section
708(b) of the Business Corporation Law to the adoption
of the following:

RESOLVED, That the record date
of December 26, 1975, for the determi-
nation of shareholders entitled to vote
upon the proposed business combination
of Cerro Corporation and The Marmon
Group, Inc. (Michigan), be, and it hereby
is, cancelled;

FURTHER RESOLVED, That the new record
date for the determination of shareholders
entitled to vote upon the proposed business
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FURTHER RESOLVED, That this Board
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such later date as the proper officers may
determine, as the date upon which a special
meeting of shareholders of this Corporation
shall be held.


DATED January 13, 1976

Robert H. Cutler

George A. Jones
George A. Jones


Thomas F. Githens

G. Willing Pepper


Robert C. Gluth

Jay A. Pritzker

Lewis B. Harder


Robert A. Pritzker

Alan Wolfley

UNANIMOUS WRITTEN CONSENT OF DIRECTORS
OF
CERRO CORPORATION
IN LIEU OF A MEETING

The undersigned, being all of the directors
of Cerro Corporation, hereby consent pursuant to Section
708(b) of the Business Corporation Law to the adoption
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RESOLVED, That the record date
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shall be held.

DATED: January 13, 1976

Robert H. Cutler

George A. Jones

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Thomas F. Githens

Robert C. Gluth

Lewis B. Harder

G. Willing Pepper

Jay A. Pritzker

Robert A. Pritzker

Alan Wolfley

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LS 002429

UNANIMOUS WRITTEN CONSENT OF DIRECTORS
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Robert H. Cutler

George A. Jones

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LS 002432

Thomas F. Githens

G. Willing Pepper

Robert C. Gluth

Jay A. Pritzker

Lewis B. Harder

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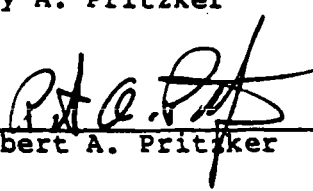
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C E R R O C O R P O R A T I O N

Special Meeting of Stockholders

Tuesday, February 24, 1976

A special meeting of stockholders of Cerro Corporation was held in the Gramercy Suite of the New York Hilton Hotel, 1335 Avenue of the Americas, in the Borough of Manhattan of the City of New York, County and State of New York, on Tuesday, the 24th day of February, 1976, at 10:30 o'clock in the forenoon, Eastern Standard Time, pursuant to notice given in accordance with the laws of the State of New York and the Bylaws of the Corporation.

ORGANIZATION OF MEETING

The meeting was called to order by the Chairman of the Board of Directors, Jay A. Pritzker, Esq., who acted as Chairman of the meeting. The Secretary of the Corporation, Kenneth D. Archer, Esq., acted as Secretary of the meeting. The Chairman welcomed those present and introduced the persons seated with him at the table on the dais.

The Secretary reported that written notice of the time, place and purposes of holding the meeting had been given by mailing, at least ten but not more than fifty days immediately preceding the meeting (such mailing was commenced on the 27th day of January, 1976 and completed on the 29th day of January, 1976), postage prepaid,

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a printed copy of such notice in combined form with the proxy statement, together with a form of proxy and reply envelope, to each holder of Common Stock of the Corporation of record as of the close of business on January 22, 1976, that being the record date fixed by the Board of Directors, at such holder's post office address as the same appeared on the record of stockholders of the Corporation. An affidavit as to such mailing, duly subscribed and sworn to, on February 5, 1976, by Mr. J. T. Molloy, an Assistant Vice President of the Irving Trust Company, Transfer Agent for the Common Stock of the Corporation, having been presented by the Secretary, was ordered by the Chairman to be placed on file with the permanent records of the meeting.

The Secretary reported that there were present at the meeting, represented by proxy, holders of more than two thirds of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, according to the preliminary count of the proxies received by the Secretary up to 9:00 o'clock on February 24, 1976, to wit, 6,018,151 shares out of 7,911,267 shares outstanding on the record date, January 22, 1976, or 76.1% of the shares outstanding, constituting a quorum for the transaction of business. On behalf of the directors and officers of the Corporation, the Chairman expressed appreciation for the cooperation of the stockholders in returning their executed proxies to be voted at the meeting;

he also stated that the Meeting Inspectors would submit their report later in the meeting on the definitive number of shares represented in person or by proxy.

Pursuant to Section 9, Article I of the Bylaws of the Corporation, the Chairman appointed Messrs. Robert Schneck and Joseph Bayer to serve as Inspectors at the meeting and at any adjournment or adjournments thereof. The Inspectors, being present, accepted such office and entered upon the performance of their duties after submitting their oaths as such Inspectors, as required by the aforesaid Section of the Bylaws, duly subscribed by them, which oaths the Secretary was directed to place on file with the meeting records.

Upon direction of the Chairman, the Secretary presented to the Inspectors a full, true and complete list setting forth in alphabetical order the names of all stockholders of record, with the number of shares held by each, as the same appeared upon the books of the Corporation as of the close of business on January 22, 1976, duly certified by the Transfer Agent. The Secretary also presented to the Inspectors a certified copy of the resolution of the Board of Directors, adopted by the Unanimous Written Consent of Directors of Cerro Corporation in Lieu of a Meeting dated January 13, 1976, providing that all persons who are holders of record of Common Stock of the Corporation at the close of

business on January 22, 1976, and no others, shall be entitled to notice of and to vote at this meeting. The Chairman announced that said stockholders' list would be available upon completion of the meeting for examination by any stockholder present.

The Chairman inquired whether each stockholder present at the meeting had filled out, upon entering the meeting, a meeting registration card indicating whether his proxy had been mailed or delivered to the Secretary, or whether he would vote in person. As all stockholders present signified they had done so, the Chairman directed that all proxies which had been received by the Secretary, at or prior to the meeting, and said meeting registration cards, be delivered to the Inspectors for their examination, which was done. The Chairman requested the Inspectors to make their examination of said stockholders' list, proxies and meeting registration cards to determine the number of shares represented at the meeting, either by holders present in person or represented by proxy, entitled to vote at the meeting, and submit their certificate thereon to the Secretary.

Thereupon, the Chairman introduced the directors of the Corporation who were present and who had not previously been introduced. Representatives of independent auditors, Price Waterhouse & Co. and Arthur Young & Co., were also introduced. In addition, Robert P. Koenig, Chairman of the

Business Combination Committee, and Robert H. Hotz, First Vice President of Smith Barney & Co. Incorporated, were also introduced.

PROPOSAL FOR ADOPTING AND APPROVING
THE AGREEMENT AND PLAN OF MERGER AND
THE EXCHANGE AGREEMENT

The Chairman stated that there was only one formal matter for consideration, namely, the approval of the business combination proposal as stated in the notice of the meeting to adopt and approve the Agreement and Plan of Merger dated as of January 15, 1976, between the Corporation and Cerro-Marmon Corporation ("Cerro-Marmon") and the Exchange Agreement dated as of January 15, 1976 among the Corporation, Cerro-Marmon, GL Corporation and The Marmon Group, Inc. (Michigan) ("Marmon").

A motion was thereupon made and seconded that the following resolution be adopted:

RESOLVED, That the Agreement and Plan of Merger and the Exchange Agreement, each dated as of January 15, 1976, and under the terms of which (i) Cerro would be merged into Cerro-Marmon Corporation, a newly organized Delaware corporation, (ii) the outstanding common stock of Cerro held by persons other than The Marmon Group, Inc. (Michigan), a Delaware corporation, would be changed by reason of such merger, into an equal number of shares of preferred stock of Cerro-Marmon, entitled to one vote per share, and (iii) GL Corporation, a Delaware corporation, would receive from Cerro-Marmon, common stock, entitled to four votes per share, in exchange for all the outstanding shares of the capital stock of Marmon, be, and the same hereby are, adopted and approved.

The Chairman then explained the mechanics of how the business combination would be effected.

The Chairman then answered certain questions of stockholders pertaining to the proposal under consideration.

The polls were thereupon declared open, and they remained open until all stockholders present in person and all persons holding proxies voted by written ballot, after which, upon motion duly made, seconded and carried, the polls were declared closed.

The ballots were collected by the Inspectors. The Chairman requested the Inspectors to count the votes cast and prepare their certificate on the vote on the resolution and submit it to the Secretary.

The Chairman thereupon stated that according to law, and the Corporation's Bylaws, no other formal business could come before the meeting.

INSPECTORS' CERTIFICATES

The Chairman thereupon called upon the Secretary to inform the meeting of the contents of the certificates submitted by the Inspectors.

(a) Certificate re Shares Represented at Meeting

The Secretary announced that the Inspectors had made and submitted their Certificate which stated that there were in person or represented by proxy holders of shares of the Common Stock of the Corporation, which were standing in their names on the record of stockholders of the

Corporation as of the close of business on January 22, 1976 and entitled to vote at the meeting, the following:

<u>Present at Meeting</u>	<u>No. of Shares</u>
In Person:	
Mrs. Ruth Bloomberg	244
Harold Braun	53
Miss Barbara A. Coppeto	
Cust. for Deborah Dearborn	366
Miss Barbara A. Coppeto	
Cust. for Linda Dearborn	366
Ida E. Coppeto	6,323
Ralph C. Coppeto	3,648
Charles Fisherman	129
Anna Glasgall	231
Leonore Friedman	317
Maurice Golden	301
Mrs. Augusta Brown Heyman	57
Mary Stapleton Irwin	9,198
Charles Jockwig	50
Jerome Kornreich	315
Ralph Lindberg	16
Robert A. Pritzker	3,586,297
Lillian Rosenkrantz	95
Peter V. Struby	5
Mrs. Ruth Wachtfogel	57
Sidney Wald	300
Mrs. Cornelia H. Youhas	137

The total shares represented, in person or by proxy, to wit, 6,118,201 shares, were equivalent to 77.3% of the total of 7,911,267 (excluding treasury shares) outstanding and entitled to vote at the meeting.

The Chairman directed the Secretary to place the aforesaid Inspectors' Certificate on file with the meeting papers.

(b) Certificate re Vote on Proposed Resolution

The Secretary then announced that the Inspectors had reported the following vote on the resolution duly moved and seconded at this meeting:

Number of Shares Voted

FOR the resolution 5,665,163 (92.6%)

AGAINST the resolution 453,038 (7.4%)

In this connection, the Secretary stated that the affirmative vote for the resolution represented 71.6% of the shares of the Common Stock of the Corporation outstanding and entitled to vote at the meeting; the shares voted against the resolution represented 5.7% of the shares outstanding and entitled to vote.

The Secretary also announced that of the total outstanding shares of Common Stock of the Corporation held by persons other than The Marmon Group, Inc. (Michigan), and voting in person or by proxy at this meeting (2,531,904 shares), 2,078,866 shares were voted for the proposal, representing 82.1%, and 453,038 shares were voted against the proposal, representing 17.9%.

The Chairman stated that, according to the Inspectors' Certificate, the resolution adopting and approving the Agreement and Plan of Merger and the Exchange Agreement ~~was~~ adopted by holders of two-thirds of the Corporation's Common Stock as required by the Business Corporation Law of the State of New York and, accordingly, was duly adopted.

On behalf of the directors and officers of the Corporation, the Chairman expressed appreciation for the affirmative vote on the resolution.

On motion duly made and seconded, the Inspectors' Certificate was duly approved and ordered to be placed on file with the papers of the meeting.

ADJOURNMENT

There being no further business, the meeting was thereupon adjourned at 1:45 o'clock in the afternoon.



Secretary

CERRO CORPORATION
INDEX TO MINUTES
OF
MEETINGS OF BOARD OF DIRECTORS
Held During the Year

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LS 002455

GOLCONDA CORPORATION
MEETING OF THE BOARD OF DIRECTORS
FRIDAY, JANUARY 21, 1977

A meeting of the Board of Directors of Golconda Corporation was held on Friday, January 21, 1977, at 8:30 A.M. at the corporate office, 39 S. LaSalle Street, Chicago, Illinois 60603.

Six of the Corporation's directors were present and two were absent.* Mr. Gordon Paul Smith, Chairman of the Board, presided. Mr. Thomas L. Seifert, Secretary of the Corporation, recorded the minutes.

The Board approved the minutes of the September 17, 1976 meeting as written.

* * * * *

Report on Financial, Operating & Personnel Matters

Mr. John R. Morrill reported on the RegO and Anderson Copper and Brass Divisions.

Dividend (Preferred)

The matter of the preferred dividend was brought before the Board and the following resolutions were adopted:

RESOLVED, That the regular quarterly preferred dividend of twenty-five cents (\$0.25) per share is hereby declared. The record date therefor is April 15, 1977 and payment date is May 6, 1977. The disbursing agent is directed to disburse said dividend to such record holders of the preferred stock of Golconda Corporation; and

*Present: G. P. Smith, R. A. Pritzker, J. R. Morrill, G. A. Jones, H. F. Magnuson, and W. Featherstone.

Absent: R. M. Dunn and R. C. Gluth.

Guests: T. L. Seifert, D. R. Nomura and C. B. Cranford.

FURTHER RESOLVED, That the Secretary is hereby authorized and directed to certify this resolution and to affix the seal of this Corporation hereto; and he is directed and authorized to lodge the same with the transfer agents of the preferred stock and to take such other steps and perform any and all such further acts as may be necessary and proper to carry out the intents and purposes of the foregoing resolution.

Golconda Merger into RegO Company

There was a brief discussion of a possible merger of Golconda Corporation into a newly created corporation, RegO Company.

Sale of Golconda Mining Stock

It was announced that the sale of the Golconda Mining stock, together with all the real estate and personal property relating to the mining operations of Golconda Mining Corporation, had been sold to Harry F. Magnuson, effective as of November 30, 1976.

Sale of Golconda Metals Division Plant

It was reported that the sale of the Golconda Metals Division plant had been closed and that the \$314,000 purchase price had been paid.

Golconda vs. Arnsteen

There was a brief discussion of the status of the suit by Golconda against Arnsteen.

LS 002476

Short-Term Investment of Golconda Cash

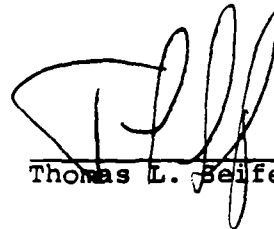
There was a brief discussion of the investment of Golconda cash in the name of Cerro-Marmon Corporation for the purpose of obtaining a better return on the money invested.

Next Meeting

The next Board of Directors meeting is scheduled for Thursday, April 14, 1977 at 8:30 A.M. at the corporate office, 39 S. LaSalle Street, Chicago, Illinois 60603.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:00 A.M.



Thomas L. Belfert, Secretary

TLS:cd

LS 002477

CONSENT OF SOLE STOCKHOLDER

The undersigned, being the sole and only stockholder of RegO Company, hereby consents to and approves the Agreement of Merger dated as of March 15, 1977 by and between Golconda Corporation and RegO Company, a copy of which Agreement of Merger is attached hereto as Exhibit A.

GOLCONDA CORPORATION,
as the sole stockholder of
RegO Company

(SEAL)

By: *John R. Morrill*

John R. Morrill, President

ATTEST:

By: *Thomas L. Selfert*

Thomas L. Selfert,
Secretary

Date: March 15, 1977

LS 002478

AGREEMENT OF MERGER

AGREEMENT OF MERGER, dated this 15th day of March, 1977, pursuant to Section 252 of the General Corporation Law of the State of Delaware, between RegO Company, a Delaware corporation, and Golconda Corporation, an Idaho corporation.

WITNESSETH that:

WHEREAS, all of the constituent corporations desire to merge into a single corporation; and

WHEREAS, said RegO Company, a corporation organized under the laws of the State of Delaware, by its Certificate of Incorporation which was filed in the office of the Secretary of State of Delaware on November 9, 1976 and recorded in the office of the Recorder of Deeds for the County of New Castle on November 9, 1976, has an authorized capital stock consisting of one hundred (100) shares of common stock of the par value of Ten Dollars (\$10.00) each, of which stock one hundred (100) shares is now issued and outstanding and shall be cancelled upon the effective date of the merger contemplated hereby.

WHEREAS, said Golconda Corporation, a corporation organized under the laws of the State of Idaho by its Articles of Incorporation which was filed in the office of the Secretary of State of Idaho on January 18, 1927 and recorded in the office of the Recorder of Deeds for the County of Shoshone on January 14, 1927, has an authorized capital stock consisting of eight million five hundred thousand (8,500,000) shares of which seven million five hundred thousand (7,500,000) shares shall be common stock without par value and one million (1,000,000) shall be convertible preferred stock having a par value of \$1.00 per share, of which stock 380,902 shares of preferred and 2,774,392 shares of common are now issued and outstanding; and

WHEREAS, the registered office of said RegO Company in the State of Delaware is located at 100 West Tenth Street in the City of Wilmington, County of New Castle, and the name of its registered agent at such address is The Corporation Trust Company; and the registered office of Golconda Corporation in the State of Idaho is located at P.O. Box 469 in the City of Wallace, County of Shoshone, and the name of its registered agent at such address is Mr. Wray Featherstone:

NOW, THEREFORE, the corporations, parties to this agreement in consideration of the mutual covenants, agreements and provisions hereinafter contained do hereby prescribe the terms and conditions of said merger and mode of carrying the same into effect as follows:

FIRST: RegO Company hereby merges into itself Golconda Corporation and said Golconda Corporation shall be and hereby is merged into RegO Company, which shall be the surviving corporation.

SECOND: The Certificate of Incorporation of RegO Company, as amended herein, is set forth in its entirety and attached hereto as Appendix 1 and all the terms and provisions thereof are hereby incorporated in this Agreement and made a part hereof with the same force and effect as if herein set forth in full; and from and after the effective date of the merger and until further amended as provided by law said Appendix 1 separate and apart from this Agreement of Merger shall be, and may be separately certified as, the Certificate of Incorporation, as amended, of the surviving corporation.

THIRD: Each share of Common Stock and each share of Convertible Preferred Stock of the merged corporation which shall be outstanding on the effective date of this Agreement and all rights in respect hereof shall forthwith be changed and converted, respectively, into one share of Common Stock and one share of Convertible Preferred Stock of the surviving corporation without any further action by the shareholders thereof.

FOURTH: The terms and conditions of the merger are as follows:

(a) The bylaws of the surviving corporation as they shall exist on the effective date of this agreement shall be and remain the bylaws of the surviving corporation until the same shall be altered, amended or repealed as therein provided, except that such changes shall be made initially in order to delete inapplicable references to the state of incorporation, the corporate name, the address of the registered office and inapplicable dates.

(b) The directors and officers of the surviving corporation shall continue in office until the next annual meeting of stockholders and until their successors shall have been elected and qualified.

(c) This merger shall become effective upon filing with the Secretary of State of Delaware. However, for all accounting purposes the effective date of the merger shall be as of the close of business on June 30, 1977.

(d) Upon the merger becoming effective, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations and other assets of every kind and description of the merged corporation shall be transferred to, vested in and devolve upon the surviving corporation without further act or deed and all property, rights, and every other interest of the surviving corporation and the merged corporation shall be as effectively the property of the surviving corporation as they were of the surviving corporation and the merged corporation, respectively. The merged corporation hereby agrees from time to time, as and when requested by the surviving corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the surviving corporation title to and possession of any property of the merged corporation acquired or to be acquired by reason of or as a result of the merger herein provided for and otherwise to carry out the intent and purposes hereof and the proper officers and directors of the merged corporation and the proper officers and directors of the surviving corporation are fully authorized in the name of the merged corporation or otherwise to take any and all such action.

FIFTH: Anything herein or elsewhere to the contrary notwithstanding this agreement may be terminated and abandoned by the board of directors of any constituent corporation at any time prior to the date of filing the agreement with the Secretary of State.

IN WITNESS WHEREOF, the parties to this agreement, pursuant to the approval and authority duly given by resolutions adopted by their respective boards of directors have caused these presents to be executed by the President and attested by the Secretary of each party hereto.

ATTEST:

By

Secretary

ATTEST:

By

Secretary

GOLCONDA CORPORATION

By

President

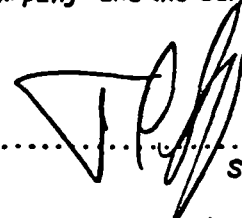
RegO Company

By

President

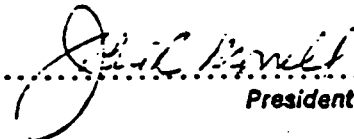
I, THOMAS L SEIFERT Secretary of RegO Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such Secretary, that the Agreement of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of GOLCONDA CORPORATION, a corporation of the State of Idaho, was duly submitted to the stockholders of said RegO COMPANY at a special meeting of said stockholders called and held separately from the meeting of stockholders of any other corporation after at least twenty (20) days' notice by mail as provided by Section 252 and Section 251 of Title 8 of the Delaware Code of 1953 on the 14th day of March, 1977, for the purpose of considering and taking action upon the proposed Agreement of Merger; that 100 shares of stock of said Corporation were on said date issued and outstanding; having voting power, that the proposed Agreement of Merger was approved by the stockholders by an affirmative vote representing at least a majority of the outstanding stock of said corporation entitled to vote thereon, and that thereby the Agreement of Merger was at said meeting duly adopted as the act of the stockholders of said RegO Company and the duly adopted agreement of said corporation.

WITNESS my hand on this 15th day of March, 1977.

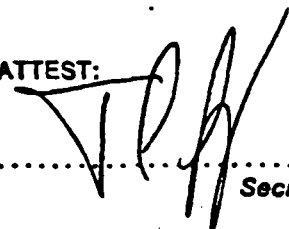

.....
Secretary

THE ABOVE AGREEMENT OF MERGER, having been executed on behalf of each corporate party thereto, and having been adopted separately by each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and the Business Corporation Act of the State of Idaho, the President of each corporate party thereto does now hereby execute the said Agreement of Merger and the Secretary of each corporate party thereto does now hereby attest the said Agreement of Merger, as the respective act, deed and agreement of each of said corporations, on this 15th day of March, 1977.

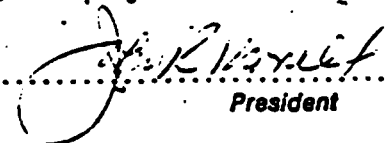
GOLCONDA CORPORATION


.....
President

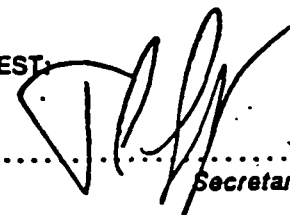
ATTEST:


.....
Secretary

RegO Company

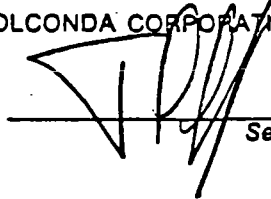

.....
President

ATTEST:


.....
Secretary

I, THOMAS L. SEIFERT, Secretary of GOLCONDA CORPORATION, hereby certify, as such Secretary and under the seal of said corporation, that the Agreement of Merger to which this certificate is attached, after having been first duly approved by resolution of the Board of Directors of GOLCONDA CORPORATION and by resolution of the Board of Directors of RegO Company, and having been signed by the directors of GOLCONDA CORPORATION and by the directors of RegO Company, was duly submitted to the shareholders of said GOLCONDA CORPORATION, at a meeting of said shareholders duly called separately in the manner provided in Section 30-133 of the Idaho Code, 1947, for calling stockholders' meetings, and that at that meeting the Agreement of Merger was adopted by the affirmative vote of the holders of (.....), being the holders of at least two-thirds of the voting power of all shareholders.

WITNESS my hand and the seal of the said GOLCONDA CORPORATION on this 17th day of June, 1977.




Secretary

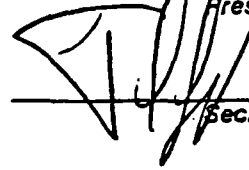
(SEAL)

LS 002482

THIS AGREEMENT OF MERGER, having been approved by resolution of the Board of Directors of Golconda Corporation, and by resolution of the Board of Directors of RegO Company, and having been signed by the directors of Golconda Corporation, and signed by the directors of RegO Company, and thereafter having been approved by the shareholders of Golconda Corporation at a meeting separately called and held by the affirmative vote of the holders of at least two-thirds of the voting power of the shareholders, and having been approved by the shareholders of RegO Company, at a meeting separately called and held, by the affirmative vote of the holders of at least two-thirds of the voting power of the shareholders, the President and Secretary of RegO Company, and the President and Secretary of Golconda Corporation do now hereby execute this Agreement of Merger under the corporate seal of each of said corporations as the act and deed of each of said corporations, respectively, on this 17th day of June, 1977.

GOLCONDA CORPORATION


By: 

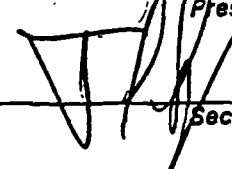
President


Secretary

(SEAL)

RegO Company.

By: 

President


Secretary

(SEAL)

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On the 17th day of June, 1977, before me, a notary public of the State of Illinois, personally appeared John R. Morrill, known to me to be the President of RegO Company, one of the corporations which executed the Agreement of Merger to which this is attached, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public

(SEAL)

CAROL D'ASCENZO, Notary Public
Certificate filed Cook County, Ill.
Commission expires Nov. 7, 1979

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On the 17th day of June, 1977, before me, a notary public of the State of Illinois, personally appeared John R. Morrill, known to me to be the President of Golconda Corporation, one of the corporations which executed the Agreement of Merger to which this is attached, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Notary Public

(SEAL)

CAROL D'ASCENZO, Notary Public
Certificate filed Cook County, Ill.
Commission expires Nov. 7, 1979

**CERTIFICATE OF INCORPORATION
OF
RegO Company**

ARTICLE 1: The name of the corporation is RegO Company.

ARTICLE 2: The address of its registered office in the State of Delaware is 100 West Tenth Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3: The duration of the corporation is perpetual.

ARTICLE 4: The purpose or purposes for which the corporation is organized are:

To buy, sell, design, engineer, manufacture, create and repair special machines, machine parts, jigs, tools, dies, fixtures, precision parts, and any other product in any manner similar thereto.

To manufacture, assemble, buy, sell, hire, install, research and develop, distribute or dispose of electromechanical components and assemblies, guidance components and assemblies, electropneumatic components and assemblies, precise instrumentation components and assemblies and all kinds of goods, wares, merchandise, manufactures, commodities, machinery, tools, supplies and products, appliances, devices or equipment, of every kind and nature.

To design, develop, manufacture, buy or market various types of control devices, regulators, valves, welding devices, and any other devices of electrical and/or mechanical nature.

To design, develop, manufacture, buy or market food serving devices and facilities including, but not limited to, display cases, refrigerators, serving counters, warming devices, carbonators, dispensers of liquids or semi-solid foods, ice cream makers, coffee makers, utensils and other devices used in the preparation, storage, serving and clean up of food or other materials used or consumed by humans. Generally to engage in and conduct any form of manufacturing or mercantile enterprise.

To locate, buy, acquire, own, lease, sell, convey and deal in mines, and mineral lands of every kind and nature and description, also purchase, locate or otherwise acquire, own, enter or lease, sell and deal in mill sites, water rights and terminal facilities; to work, prospect, or develop mines and mineral lands of every nature or description, either for itself or for other companies, corporations or individuals upon such terms or for such remuneration as it shall deem fit and proper and to accept, take and hold mineral lands of every nature or description, either as an entirety or any interest in the same; to hold, purchase or otherwise acquire or be interested in, and to sell, assign, pledge or otherwise dispose of, shares of the capital stock, bonds, or other evidence of debt issued or created by any other corporation; whether foreign or domestic, and whether now or hereafter organized; and while the holder of any such shares of stock, to exercise all the rights and privileges of ownership, including the right to vote thereon to the same extent, as a natural person might or could do; to do everything that may be necessary or proper in the conduct of its business, in the way of locating, prospecting, developing, acquiring, buying and selling mineral lands and mining claims of every kind, nature and description, and working such mines and the production of ores and minerals therefrom, and in the reducing such ores and minerals to the most merchantable value, and in doing the same, to contract, build, buy, sell, own and operate all necessary mills, smelters, machinery, roads, railroads, tramways, ditches, flumes, and such other property as shall be fit and necessary in carrying out the objects herein stated; to sell, buy and lease mines and mining property of all kinds and property of every kind and nature and description, useful and necessary in operating and maintaining the same, and in reducing the ores and in refining the minerals taken therefrom upon commission, whether such commission be paid in money or otherwise; to erect buildings, operate saw-mills and engage in trade of every kind both in stores and provisions, steam and other transportation, road building and engineering, freighting and carrying.

To conduct a general mining, milling and smelting business.

To purchase, secure, use, own and enjoy any and all franchises useful and beneficial for the prosecution of the business of this corporation.

To exercise the right of eminent domain according to law and condemn and acquire rights of way for tunnels, shafts, hoisting works, dumps, cuts, ditches, canals, reservoirs, storage basins, dams, roads, railroads and tramways incident, necessary or convenient for the uses and purposes and objects of this corporation and do all such things incident to the general business of this corporation in the State of Delaware, in the other states and territories of the United States and elsewhere, that this corporation may desire or conclude to do business.

To buy and sell ores, bullion, metals, minerals and concentrates, and all other materials and supplies, and to reduce ores and minerals for pay.

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade-marks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription, or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trusts, receipts and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporation, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To borrow or raise monies for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof, and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of the corporation's property and assets, or any interest therein, wherever situated.

To enter into partnership or joint venture agreements with other corporations, partnerships or individuals.

In general, to possess and exercise all the powers and privileges granted by the Delaware Corporation Law or by any other law of Delaware or by this document together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the corporation.

The business and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this document, but the business and purposes specified in each of the foregoing clauses of this article shall be regarded as independent business and purposes.

ARTICLE 5: The total number of shares of stock which RegO shall have authority to issue is eight million, five hundred thousand (8,500,000) of which seven million, five hundred thousand (7,500,000) shares shall be common stock having a par value of \$.01 per share and one million (1,000,000) shall be convertible preferred stock having a par value of \$1.00 per share. All such shares shall be fully paid and non-assessable.

Each share of preferred stock of RegO shall be convertible into one and one-half shares of the common stock of RegO upon surrender to the corporation of the certificates of convertible preferred stock so to be converted, duly assigned in blank for transfer. No adjustment of dividends will be made upon the exercise of the conversion privilege.

RegO shall not be required to issue fractional shares of common stock in exchange for shares of its convertible preferred stock. If any fractional interest is due any holder of its preferred stock, the Board of Directors of RegO may at its election (i) issue non-voting scrip for such fractional interest in such form as the Board of Directors may determine, which scrip shall be exchangeable within a period of one year following the date of this issue, together with other scrip, for one or more full shares of common stock, or (ii) pay an amount in cash equal to the current market value of such fractional interest, calculated to the nearest cent, computed on the basis of the last reported sales price for such common shares on the Pacific Stock Exchange on the date of conversion.

The holders of the convertible preferred stock shall be entitled to receive, when and as declared, dividends at the rate of \$1.00 per share per annum payable quarterly. The dividends on the said preferred stock shall be cumulative and shall be payable before any dividends on the common shall be paid or set apart. If in any year, the dividends declared and paid upon the said preferred stock shall not amount to \$1.00 per share, the deficiency shall be payable before any dividends shall be thereafter paid upon or set apart for the common stock; provided, however, that whenever all cumulative dividends on the said preferred stock for all previous years shall have been declared and become payable, and the accrued quarterly installments for the current year shall have been declared, and the corporation shall have paid such cumulative dividends for previous years, and such accrued quarterly installments, or shall have set aside from its surplus or net profits a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock payable then or thereafter out of any remaining surplus or net profits.

The convertible preferred shares shall be preferred as to assets as well as dividends, as aforesaid, and upon the dissolution, liquidation or winding up of the corporation, the holders of said preferred shares shall be entitled to receive and be paid for each said preferred share, out of the assets of the corporation (whether capital or surplus) \$42.00 per share where such event is voluntary or \$37.50 per share where such event is involuntary, plus an amount equal to dividends accumulated and unpaid thereon, whether earned or declared or not, before any distribution of assets shall be made to the holders of common shares, but the holders of said preferred shares shall not be entitled to further participation in such distribution, and the holders of the common shares shall be entitled, to the exclusion of the holders of said preferred shares, to all assets of the corporation remaining after payment to the holders of the said preferred shares of the full preferential amount aforesaid.

Neither a consolidation nor merger of the corporation with or into any other corporation, nor a merger of any other corporation into the corporation, nor the purchase or redemption of all or any part of the outstanding shares of any class or classes of stock of the corporation, nor the sale or transfer of the property and business of the corporation as or substantially as an entirety, shall be construed to be a liquidation, dissolution, or winding up of the corporation within the meaning of the foregoing provisions.

The holders of the convertible preferred shares shall be entitled to one vote for each share held and shall have the power to vote cumulatively for the election of directors. The said preferred shares and the common shares shall vote together as one class.

The corporation, at its option to be exercised by its Board of Directors, may redeem in whole or in part the convertible preferred shares at any time, at \$37.50 per share, plus an amount equal to dividends accumulated and unpaid thereon, whether earned or declared or not. Payment of the redemption price of the said preferred shares shall be made in cash. Notice of such redemption, stating the redemption date, the redemption price and the place of payment thereof shall be given by mailing a copy of such notice at least thirty (30) days prior to the date fixed for redemption to the holders of record of the said preferred shares to be redeemed at their respective addresses as the same appear on the books of the corporation. If such notice of redemption shall have been duly given and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been set aside so as to be available therefor, then notwithstanding that any certificate for said preferred shares so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue from and after the date of redemption so fixed and all rights with respect to such preferred shares so called for redemption not theretofore expired shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable upon redemption thereof, but without interest.

Convertible preferred shares which are redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall not be reissued.

In case the corporation shall at any time or from time to time subdivide the outstanding shares of common stock into a greater number of shares, then with respect to each such subdivision the number of shares of common stock deliverable upon conversion of each share of convertible preferred stock hereby designated shall be increased in proportion to the increase resulting from such subdivision in the number of outstanding shares of common stock; and in case the corporation shall at any time, or from time to time, combine the outstanding shares of common stock into a smaller number of shares, then with respect to such combination the number of shares of common stock deliverable upon the conversion of each share of convertible preferred stock hereby designated shall be decreased in proportion to the decrease resulting from such combination in the number of outstanding shares of common stock.

In case, prior to the conversion or redemption of the convertible preferred stock, the corporation shall be recapitalized by reclassifying its outstanding common stock into shares with a different par value or shall thereafter reclassify any such shares in like manner, or the corporation or a successor corporation shall consolidate or merge with or convey all or substantially all its or any successor corporations property or assets to any other corporation or corporations, the holder of the convertible preferred stock shall thereafter have the right to convert pursuant to and on the terms and conditions and during the time specified herein, in lieu of the shares theretofore convertible, such shares of stock, securities or assets as may be issued or payable with respect to, or in exchange for, the number of shares theretofore receivable upon the conversion of the said preferred stock had such recapitalization, consolidation, merger or conveyance not taken place; and in any such event, the rights of the holder of said preferred shares to an adjustment in the number of common shares into which said preferred stock is convertible shall continue and be preserved in respect of any stock, securities or assets which the holder of said preferred stock is thus entitled.

In the event:

(A) The corporation shall take a record of the holders of its common stock for the purpose of entitling them to receive a dividend otherwise than in cash, or any other distribution in respect of the common stock (including cash), pursuant to, without limitation, any spin-off, split-off or distribution of the corporation's assets; or

(B) The corporation shall take a record of the holders of its common stock for the purpose of entitling them to subscribe for or purchase any shares of stock of any class or to receive any other rights; or

(C) Of any classification, reclassification, or other reorganization of the capital stock of the corporation, consolidation or merger of the corporation with or into another corporation or conveyance of all or substantially all of the assets of the corporation; or

(D) Of the voluntary or involuntary dissolution, liquidation or winding up of the corporation; then, and in any such case, the corporation shall mail to the holders of convertible preferred stock, at least twenty (20) days prior to such record date, a notice stating the date or expected date on which a record is to be taken for the purpose of such dividend, distribution or rights, or the date on which such classification, reclassification, reorganization, consolidation, merger, conveyance, dissolution, or winding up is to take place, as the case may be.

In case the corporation, at any time while convertible preferred stock shall remain issued and outstanding, shall sell all or substantially all its property or dissolve, liquidate or wind up its affairs, the holder of said preferred stock may thereafter receive upon conversion thereof in lieu of each share of common stock of the corporation which such holder would have been entitled to receive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidating or winding up with respect to each share of common stock of the Company.

ARTICLE 6: At all elections of directors of RegO, each common and convertible preferred stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected, and he may cast all such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

ARTICLE 7: No common or preferred stockholder of RegO shall by reason of his holding shares of any class have any preemptive or preferential right to purchase or subscribe to any shares of any class of the corporation, now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares, or such notes, debentures, bonds or other securities, would adversely affect the dividend or voting rights of such stockholder, other than such rights, if any, as the Board of Directors, in its discretion from time to time may grant, and at such price as the Board of Directors in its discretion may fix; and the Board of Directors may issue shares of any class of RegO, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering any such shares of any class, either in whole or in part, to the existing shareholders of any class.

ARTICLE 8: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of RegO is expressly authorized:

To make, alter or repeal the by-laws of RegO except as otherwise provided for in the by-laws.

To authorize and cause to be executed mortgages and liens upon the real and personal property of RegO.

To set apart out of any of the funds of RegO available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole Board, to designate one or more committees, each committee to consist of two or more directors of RegO. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution or in the by-laws of RegO, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of RegO, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, the by-laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called upon

such notice as is required by statute, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of RegO, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its Board of Directors shall deem expedient and for the best interests of RegO.

ARTICLE 9: Meetings of stockholders may be held within or without the State of Delaware as the by-laws may provide. The books of RegO may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the corporation. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.

ARTICLE 10: The corporation reserves the right to amend, alter, change or repeal any provision contained herein in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE 11: All outstanding options, agreements, warrants and other rights to purchase or otherwise receive or acquire shares of stock of Astro Controls, Inc. or Golconda Corporation shall be deemed options, agreements, warrants, or other rights, as the case may be, to purchase or otherwise receive or acquire under the same circumstances a number of shares of the common or convertible preferred stock of RegO at the applicable exchange ratio.

ARTICLE 12: The business of the corporation shall be managed by a Board of Directors elected by the stockholders at any annual or special meeting of stockholders. Directors of the corporation need not be stockholders. The number of such directors shall be not less than seven (7) nor more than eleven (11). The exact number of directors shall be fixed by the by-laws of the corporation. Vacancies in the Board of Directors shall be filled by the remaining members of the Board and each person so elected shall be a director of the corporation until his successor shall have been elected.

ARTICLE 13: The name and mailing address of each incorporator is as follows:

<u>Name</u>	<u>Mailing Address</u>
F. J. Obara, Jr.	100 West Tenth Street Wilmington, Delaware 19801
W. J. Reif	100 West Tenth Street Wilmington, Delaware 19801
R. F. Andrews	100 West Tenth Street Wilmington, Delaware 19801

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, do make this certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 24th day of September, 1976.

/s/ F. J. Obara, Jr. (SEAL)

/s/ W. J. Reif (SEAL)

/s/ R. F. Andrews (SEAL)

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

RESOLVED, That the reincorporation of Golconda Corporation (the "Company") in the State of Delaware is declared advisable and there be proposed to the stockholders at the next Annual Meeting of Shareholders to be held on June 17, 1977, a resolution proposing the reincorporation of the Company in the State of Delaware by means of merging the Company into its wholly-owned subsidiary, RegO Company, with RegO Company being the surviving corporation, pursuant to the terms and conditions of an Agreement of Merger dated March 15, 1977 by and between the Company and RegO Company, which terms and conditions are hereby ratified and approved; and

FURTHER RESOLVED, That the Notice of Annual Meeting of Shareholders of the Company, together with the proxy material (including all exhibits, appendices and attachments) dated May 9, 1977, a proof of which dated April 22, 1977 is attached hereto as Exhibit A, said proxy material calling for the election of directors and officers and the reincorporation of the Company in Delaware pursuant to the foregoing resolution, are hereby ratified and approved; and

FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

R. M. Dunn

H. F. Magnuson

Wray Feathersone

J. R. Morrill

Robert C. Gluth

Robert A. Pritzker

George A. Jones

Gordon P. Smith

Date: April 22, 1977

LS 002492

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

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FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.



R. M. Dunn

H. F. Magnuson

Wray Featherstone

J. R. Morrill

Robert C. Gluth

Robert A. Pritzker

George A. Jones

Gordon P. Smith

LS 002493

Date: April 22, 1977

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

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FURTHER RESOLVED, That the Notice of Annual Meeting of Shareholders of the Company, together with the proxy material (including all exhibits, appendices and attachments) dated May 9, 1977, a proof of which dated April 22, 1977 is attached hereto as Exhibit A, said proxy material calling for the election of directors and officers and the reincorporation of the Company in Delaware pursuant to the foregoing resolution, are hereby ratified and approved; and

FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

R. M. Dunn

Wray Featherstone
Wray Featherstone

Robert C. Gluth

George A. Jones

Date: April 22, 1977

H. F. Magnuson

J. R. Morrill

Robert A. Pritzker

Gordon P. Smith

LS 002494

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

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FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

R. M. Dunn



H. F. Magnuson

Wray Featherstone

J. B. Morrill

Robert C. Gluth

Robert A. Pritzker

George A. Jones

Gordon P. Smith

Date: April 22, 1977

LS 002495

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

RESOLVED, That the reincorporation of Golconda Corporation (the "Company") in the State of Delaware is declared advisable and there be proposed to the stockholders at the next Annual Meeting of Shareholders to be held on June 17, 1977, a resolution proposing the reincorporation of the Company in the State of Delaware by means of merging the Company into its wholly-owned subsidiary, RegO Company, with RegO Company being the surviving corporation, pursuant to the terms and conditions of an Agreement of Merger dated March 15, 1977 by and between the Company and RegO Company, which terms and conditions are hereby ratified and approved; and

FURTHER RESOLVED, That the Notice of Annual Meeting of Shareholders of the Company, together with the proxy material (including all exhibits, appendices and attachments) dated May 9, 1977, a proof of which dated April 22, 1977 is attached hereto as Exhibit A, said proxy material calling for the election of directors and officers and the reincorporation of the Company in Delaware pursuant to the foregoing resolution, are hereby ratified and approved; and

FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

R. M. Dunn

H. F. Magnuson

Wray Featherstone

J. E. Morrill
J. E. Morrill

Robert C. Gluth

Robert A. Pritzker

George A. Jones

Gordon P. Smith

Date: April 22, 1977

LS 002496

UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
OF GOLCONDA CORPORATION

The undersigned, being all the directors of Golconda Corporation, an Idaho corporation, hereby consent, pursuant to the Idaho Business Corporation Act, to the adoption of the following resolutions:

RESOLVED, That the reincorporation of Golconda Corporation (the "Company") in the State of Delaware is declared advisable and there be proposed to the stockholders at the next Annual Meeting of Shareholders to be held on June 17, 1977, a resolution proposing the reincorporation of the Company in the State of Delaware by means of merging the Company into its wholly-owned subsidiary, RegO Company, with RegO Company being the surviving corporation, pursuant to the terms and conditions of an Agreement of Merger dated March 15, 1977 by and between the Company and RegO Company, which terms and conditions are hereby ratified and approved; and

FURTHER RESOLVED, That the Notice of Annual Meeting of Shareholders of the Company, together with the proxy material (including all exhibits, appendices and attachments) dated May 9, 1977, a proof of which dated April 22, 1977 is attached hereto as Exhibit A, said proxy material calling for the election of directors and officers and the reincorporation of the Company in Delaware pursuant to the foregoing resolution, are hereby ratified and approved; and

FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Company be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the merger contemplated by and described in the Agreement of Merger, the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

R. M. Dunn

H. F. Magnuson

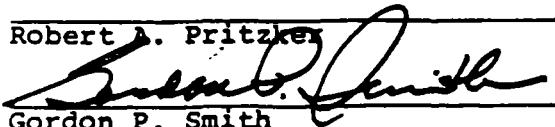
Wray Featherstone

J. R. Morrill

Robert C. Gluth

Robert A. Pritzker

George A. Jones



Gordon P. Smith

Date: April 22, 1977

LS 002497

MINUTES OF THE 1977 ANNUAL MEETING
OF SHAREHOLDERS OF
GOLCONDA CORPORATION

Pursuant to notice, the Annual Meeting of Shareholders of Golconda Corporation (the "Company") was held on Friday, June 17, 1977 at the office of the RegO Division, 4201 W. Peterson Avenue, Chicago, Illinois 60646.

Mr. John R. Morrill, President of the Company, presided as Chairman. He called the meeting to order at 9:00 A.M. and welcomed those present. After introducing various officers of the Company, Mr. Morrill asked the Secretary of the Company, Mr. Thomas L. Seifert, to submit an affidavit certifying the mailing of notice and the proxy material for the meeting. Mr. Seifert further submitted an affidavit certifying the availability of stockholder lists for inspection by record holders prior to the meeting as required by Idaho law.

Upon inquiry by the Chairman, the Secretary reported that he had inspected the proxies and the attendance of stockholders and that a quorum was present. That being the case, the Chairman declared the meeting regularly and lawfully convened and ready to transact business. He appointed Charles B. Cranford and Carol D'Ascenzo as tellers to count the votes presented at the meeting and by proxy.

A nomination was made by Mr. F. Z. Barakat to dispense with the reading of the minutes of the last meeting of shareholders. The motion was seconded by Mr. C. A. LaSaker and was adopted by a majority vote of those present in person or by proxy.

Mr. Morrill then entertained nominations for directors. Mr. LaSaker nominated the eight directors proposed in the Proxy Statement dated May 9, 1977. This motion was seconded. The Chair entertained nominations from the floor. There being none, a motion was made by Mr. J. T. Calahan that the nominations be closed. This motion was seconded by Mr. M. Brisk, and the nominations of directors were closed.

A nomination was made by Mr. Brisk to adopt a resolution reincorporating the Company in the State of Delaware. This motion was seconded by Mr. Calahan. Mr. Morrill asked for any other resolutions. There being none, a motion was made and seconded that the resolutions be closed.

The count of proxies submitted then proceeded. While the count was taking place, Mr. Morrill reviewed the results of 1976, progress to date in 1977 and offered his observations about the coming year.

The meeting was then opened to questions from the floor. The questions were answered by Messrs. Morrill, Seifert and Nomura.

After conclusion of the questions, Mr. Morrill called on Mr. Cranford to report on the balloting. It was reported that a total of 90.3% of the shares outstanding voted. The votes for directors were cast as follows:

Raymond M. Dunn	2,844,547
Wray Featherstone	2,855,411
Robert C. Gluth	2,844,817
George A. Jones	2,844,877
Harry F. Magnuson	2,854,846
John R. Morrill	2,845,046
Robert A. Pritzker	2,844,756
Gordon Paul Smith	2,847,244

Accordingly, the following resolution was adopted:

RESOLVED, That the following individuals are elected as members of the Board of Directors of Golconda Corporation to serve until their successors are appointed:

Raymond M. Dunn
Wray Featherstone
Robert C. Gluth
George A. Jones
Harry F. Magnuson
John R. Morrill
Robert A. Pritzker
Gordon Paul Smith

It was also reported that 2,805,151 shares voted in favor of reincorporating Golconda Corporation in the State of Delaware and 15,644 shares voted against said reincorporation. Accordingly, the following resolutions were adopted:

RESOLVED, That Golconda Corporation reincorporate into the State of Delaware under the new name RegO Company; and

FURTHER RESOLVED, That each of the appropriate officers and/or directors of the Corporation be, and they hereby are, authorized and directed to take such further action and execute and deliver such document or documents as they, in their discretion, deem necessary or desirable in order to effectuate the reincorporation contemplated by the foregoing resolution; the taking of such action and the execution of such document or documents to constitute conclusive evidence of their approval thereof.

There being no further business to be brought before the meeting, a motion was made from the floor that the meeting be adjourned. The motion was seconded and unanimously approved, and the meeting was adjourned at 10:30 A.M.


Thomas L. Seifert, Secretary

TLS:cd

LS 002499

C T CORPORATION SYSTEM



Associated with The Corporation Trust Company
208 SOUTH LA SALLE STREET, CHICAGO, ILL. 60604 • (312) 263-1414

July 8, 1977

RE: Rego Company (DEL. DOM.)
MERGED: GOLCONDA CORPORATION (ID. DOM.)

Mr. Thomas Seifert
Legal Counsel & Secretary
Cerro Corporation
39 South La Salle Street
Chicago, Illinois 60603

Dear Mr. Seifert:

In regard to the filing of merger documents on behalf of the above with the Secretary of State of Idaho on June 17, 1977, we are now pleased to enclose herewith the usual evidence of filing. Please note that all the necessary county recordings were also accomplished in regard to this.

Very truly yours,

C T CORPORATION SYSTEM

By


Howard L. Rosenberg
Service Representative

HLR:lp
enc.

LS 002500

RECEIPT

RECEIVED FROM C. J Corporation System

ADDRESS Box 1368, Boise, Id. 83701

One and No/00 DOLLARS \$ 1. 00

FOR Merger Agreement 2487 \$001.00 TOTAL 1

Holeonda Corp. Regs Ca

CASH ☐ CHECK ☒ MONEY ORDER ☐

BY Helen J

MACHINE VALIDATED FIGURES
APPEAR AT RIGHT

YOUR RECEIPT
THANK YOU

28 JUN 77

LS 002501

CLERK OF THE DISTRICT COURT
AUDITOR AND RECORDER
SHOSHONE COUNTY
IDAHO

WALLACE, IDAHO, June 28, 1977

Yours enclosing Merger Agreement between Golconda Corp. to
Rago Co.
to be filed in this office, with \$ 1.00 to cover
fees therefor, received. The instrument is duly filed this day.

VICTORIA WHITE

Clerk, Auditor and Recorder

NOTE—Instruments which are recorded will be returned to the party at whose request
they were filed, unless otherwise ordered

LS 002502

June 5, 1973

TO: DIRECTORS OF GOLVEST CORPORATION

MESSRS. GORDON P. SMITH
PHILIP A. TOFT
H. P. MAGNUSCH

Re: Sale of Macia Mining Company
Common Stock

Gentlemen:

In connection with the sale of Macia shares through Lehman Brothers, they have requested a form of corporate resolution to be executed for their files. A copy of the resolution is attached for your reference.

Would you please execute the attached letter and return the same to me in the enclosed envelope.

Sincerely,

J. M. Stogin

JMS:pl
enc.

LS 002503

**GOLVEST CORPORATION
A Washington Corporation**

**We, the undersigned, being all of the Directors of
Golvest Corporation, a corporation organized and existing
under the laws of the State of Washington, do hereby severally
waive notice of the time, place and purpose of a Special
Meeting of the Board of Directors of said Corporation,
and consent to the resolution authorizing the establishment
and maintenance of Security Cash Accounts in the form
attached.**

Dated: June 5, 1973

LS 002504

October 29, 1973

Mr. E.J. Cuff
Roberts, Scott & Co., Inc.
P.O. Box 591
San Diego, California 92112

Dear Ed:

Enclosed is the Corporate Resolution of Golvest Corporation relating to authorization to transfer securities.

After this has been received, I would appreciate it if you could let me know the status of the proceeds and also forward to me a certificate or certificates regarding the balance of the shares which we are long with Roberts Scott.

Sincerely,

J.M. Stogin.

JMS:cs
enc.

LS 002505



ROBERTS, SCOTT & CO., INC.

MEMBERS NEW YORK STOCK EXCHANGE INC.

P.O. Box 591 · San Diego, California 92112

Southern California First National Bank Building · 24th Floor · (714) 232-6911

October 22, 1973

Mr. John W. Stogin
4201 West Peterson Avenue
Chicago, Illinois 60646

Dear John:


I have today followed our New York office to see what has happened to the confirmation of 10/11/73. I shall advise you as soon as I receive a copy.

I find I will need a Corporate Resolution to forward to Loeb, Rhoades since our First California copy is not transferable.

I will also advise you regarding settlement when I find out.

Thank you for your time.

Sincerely,

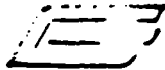


E.J. Cuff

EJC/je

Complete investment and insurance services

LS 002506



J. M. STOGIN
Vice President-Corporate Counsel
and Secretary

May 30, 1973

Mr. Michael L. Tarnopol
Lehman Brothers Incorporated
One William Street
New York, New York

Dear Micky:

In connection with the sale by Lehman Brothers of certain shares of Hecla Mining Company owned by Golvest Corporation, a wholly-owned subsidiary of Golconda, I am submitting to you the following documents:

1. Articles of Incorporation of Golvest Corporation.
2. A form of letter of fact supplied to Mudge Rose Guthrie Alexander & Mitchell.
3. Copy of H. F. Magnuson's letter of resignation to Hecla Mining Company.
4. Copy of a certified resolution setting forth the authorization for the sale of Hecla stock and authority for executing documents.

I have asked our tax man here at the company to obtain the tax identification number for Golvest, and just as soon as that is received I will send it to you.

Should there be anything further which you require, please let me know and I will do all that I can to obtain it for you.

In keeping with our phone conversation, I contacted Mudge Rose and requested that they supply you with a copy of their opinion

LS 002507

Mr. Michael L. Tarnopol
Page 2
May 30, 1973

which they had rendered in connection with the contemplated offering by White Weld. They assured me they would call you so that you could have someone pick it up. In the event you haven't received it, please let me know and I will follow it up further.

Ralph Kessler and Joe Daley, with whom I worked with at Mudge Rose, were out of town when I called.

Sincerely,



J. M. Stogin

JMS:pl
enc.

cc: Gordon P. Smith

LS 002508

GOLVEST CORPORATION
(A Washington Corporation)

We, the undersigned, being all of the directors of Golvest Corporation, a corporation organized and existing under the laws of the State of Washington, do hereby severally waive notice of the time, place, and purpose of a special meeting of the Board of Directors of said company, and consent to the following actions:

RESOLVED, that the By-Laws of the company as contained in Exhibit I are hereby adopted.

RESOLVED, That the following persons are elected to the offices set opposite their respective names to serve until their respective successors are chosen and qualified:

Gordon Paul Smith.....President and Chairman
Wray Featherstone.....Vice President
John M. Stogin.....Secretary
Donald W. Adams.....Treasurer.

RESOLVED, that the form of stock certificate attached hereto as Exhibit II is approved and adopted.

RESOLVED, that the form of seal, an impression of which is herewith affixed, is adopted as the corporate seal of the company.

RESOLVED, that Walter L. Sly be and hereby is appointed registered agent of this corporation in the State of Washington.

RESOLVED, that any two of the following:

Wray Featherstone, Vice President
H. F. Magnuson, Director
John M. Stogin, Secretary
Gordon P. Smith, President

of this Company, be and they hereby are authorized to have access from time to time to the safe deposit box in the vaults of Old National Bank of Washington leased in the name of this Company and to remove the contents thereof subject to the rules and regulations of Old National Bank of Washington, and to surrender the same

LS 002509

and release said Bank from all liability in connection with the leasing of said safe deposit box.

BE IT FURTHER RESOLVED that Old National Bank of Washington is hereby authorized and requested to grant access from time to time to said safe deposit box in accordance with the foregoing resolution until the authority thereby granted is rescinded or modified by resolution of the Board of Directors of this Company, and a copy thereto served upon said Bank.

RESOLVED, that the fiscal year shall end on November 30 of each year.

RESOLVED, that the officers are directed to pay any and all proper expenses of the Company.

RESOLVED, that the offer of Golconda Corporation, an Idaho corporation, to transfer six hundred thirty-seven thousand six hundred and seventy-four (637,674) shares of Hecla Mining Company common stock now owned by Golconda to this company in exchange for one thousand (1,000) shares of Ten Dollar par value common stock of Golvest Corporation, be and hereby is accepted.

RESOLVED, FURTHER, that the proper officers are authorized and directed to issue and deliver, in payment for said property in accordance with said offer, certificates of fully paid non-assessable capital stock of this corporation to Golconda Corporation for the aggregate of one thousand (1,000) shares.

Dated: February 2, 1973.

Gordon P. Smith

H. F. Magnuson

Philip A. Toft

LS 002510

March 13, 1973

Mr. Wray Featherstone
Golconda Mining Corporation
P. O. Box 469
Scott Building
Wallace, Idaho 83873

Dear Wray:

The Idaho Corporation Law requires that a copy of the Shareholder Books be available for inspection at the registered office in the State of Idaho. (See footnote).

Under separate cover, I am sending you in three (3) separate packages the Shareholders' List as of the record date, January 15, 1973. As specified in the Notice of Annual Meeting, the lists will be available for inspection by shareholders for any purpose germane to the meeting.

If you have any questions, please let me know.

Sincerely,

J. M. Stogin

JMS:pl

"30-144 Corporate books and records-Right of shareholders to inspect-Penalties for violation. Every corporation shall keep at its registered office:

"4. Every shareholder shall have a right to examine in person or by agent or attorney, at any reasonable time or times, for any reasonable purpose, any and all of the books and records of the corporation and to make extracts therefrom except, that no stockholder owning less than ten per cent (10%) of the total capital stock of the corporation, shall, without special permission given by the board of directors of the corporation, by resolution duly made and entered at a meeting of the board, make or take any list of the names and addresses of the stockholders of the corporation."

LS 002511

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLVEST CORPORATION

for signature

Pursuant to notice, the meeting of the Board of Directors of Golvest Corporation was held on June 27, 1973 at 4201 West Peterson Avenue, Chicago, Illinois. Present were:

Gordon P. Smith
H. F. Magnuson
Philip A. Toft.

The meeting was called to order at 4:10 P.M. by the Chairman, Mr. Gordon P. Smith.

The Board unanimously ratified its previous action establishing the bank accounts for Golvest Corporation.

The board also considered the recommendation that Gordon P. Smith have Lehman Brothers cease individual sales of shares of Hecla, except at a price of \$18.00 a share or better. It authorized him to take such steps as are necessary to implement this decision.

The next meeting of the Board of Directors of Golvest is scheduled for July 25, 1973 at San Francisco.

There being no further business to come before the meeting, the meeting was adjourned at 4:25 p.m.

Secretary

APPROVED:

Chairman

LS 002512

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLVEST CORPORATION

Pursuant to notice, the meeting of the Board of Directors of Golvest Corporation was held on June 27, 1973 at 4201 West Peterson Avenue, Chicago, Illinois. Present were:

Gordon P. Smith
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Philip A. Toft.

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The next meeting of the Board of Directors of Golvest is scheduled for July 25, 1973 at San Francisco.

There being no further business to come before the meeting, the meeting was adjourned at 4:25 p.m.

Secretary

APPROVED:

Chairman

LS 002513

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLVEST CORPORATION

Pursuant to notice, the meeting of the Board of Directors of Golvest Corporation was held on June 27, 1973 at 4201 West Peterson Avenue, Chicago, Illinois. Present were:

Gordon P. Smith
H. F. Magnuson
Philip A. Toft.

The meeting was called to order at 4:10 P.M. by the Chairman, Mr. Gordon P. Smith.

The Board unanimously ratified its previous action establishing the bank accounts for Golvest Corporation.

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The next meeting of the Board of Directors of Golvest is scheduled for July 25, 1973 at San Francisco.

There being no further business to come before the meeting, the meeting was adjourned at 4:25 p.m.

Secretary

APPROVED:

Chairman

LS 002514

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
OF
GOLVEST CORPORATION

Pursuant to notice, the meeting of the Board of Directors of Golvest Corporation was held on June 27, 1973 at 4201 West Peterson Avenue, Chicago, Illinois. Present were:

Gordon P. Smith
H. P. Magnuson
Philip A. Toft.

The meeting was called to order at 4:10 P.M. by the Chairman, Mr. Gordon P. Smith.

The Board unanimously ratified its previous action establishing the bank accounts for Golvest Corporation.

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The next meeting of the Board of Directors of Golvest is scheduled for July 25, 1973 at San Francisco.

There being no further business to come before the meeting, the meeting was adjourned at 4:25 p.m.

Secretary

APPROVED:

Chairman

LS 002515

GOLCONDA CORPORATION

J. M. STOGIN
Vice President
July 19, 1973

July 19, 1973

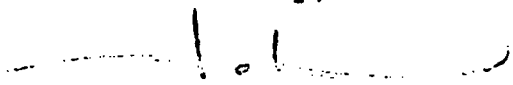
TO: BOARD OF DIRECTORS
GOLVEST CORPORATION

MESSRS. GORDON P. SMITH
H. F. MAGNUSON
PHILIP A. TOFT

A meeting of the Board of Directors of Golvest Corporation will be held on July 25, 1973 at the Fairmont Hotel, Far East Room, San Francisco, California.

The meeting will commence immediately upon the adjournment of the Executive Committee Meeting of Golconda Corporation.

Sincerely,


J. M. Stogin
Secretary

JMS:pl

LS 002516

GOLCONDA CORPORATION

J. M. Stogin
Vice President - General Counsel
San Francisco

July 19, 1973

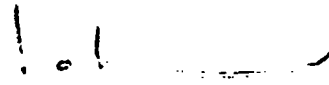
TO: BOARD OF DIRECTORS
GOLVEST CORPORATION

MESSRS. GORDON P. SMITH
H. F. MAGNUSON
PHILIP A. TOFT

A meeting of the Board of Directors of Golvest Corporation will be held on July 25, 1973 at the Fairmont Hotel, Far East Room, San Francisco, California.

The meeting will commence immediately upon the adjournment of the Executive Committee Meeting of Golconda Corporation.

Sincerely,


J. M. Stogin
Secretary

JMS:pl

LS 002517

July 19, 1973

TO: BOARD OF DIRECTORS
GOLVEST CORPORATION

MESSRS. GORDON P. SMITH
H. F. MAGNUSON
PHILIP A. TOFT

A meeting of the Board of Directors of Golvest Corporation will be held on July 25, 1973 at the Fairmont Hotel, Far East Room, San Francisco, California.

The meeting will commence immediately upon the adjournment of the Executive Committee Meeting of Golconda Corporation.

Sincerely,

J. M. Stogin
Secretary

JMS:pl

LS 002518